



**The Department of the Treasury
Quarterly Report on Privacy and Civil
Liberties Activities Pursuant to Section 803
of the Implementing Recommendations of
the 9/11 Commission Act of 2007**

December 1, 2011 – February 29, 2012

1. Introduction

The Treasury Department is committed to protecting the privacy and civil liberties of individuals in all Treasury programs. In recognition of the threat to individual privacy resulting from the global expansion of information technology (IT), the Department is determined to continue its vigilant oversight of the personally identifiable information (PII) entrusted to our care.

2. Department Actions

There have been a number of significant accomplishments during the second quarter of FY 2012. One of the more noteworthy achievements was the completion of a functional realignment within the Office of Privacy, Transparency, and Records (OPTR). With the approval of Assistant Secretary for Management (ASM), the forms management, information collections, and computer matching agreement request processes were transferred from the Office of the Chief Information Office (OCIO) to OPTR. As a result of this action, Treasury has enhanced its ability to comply with the Administration's mandate to provide for openness and transparency in the performance of its mission and functions, and to manage the protection of information privacy.

To further maximize the protection provided for the PII collected and maintained by the Department and its bureaus, there have been several very significant achievements during the past three months. For example, the Internal Revenue Service (IRS) continues to develop and implement creative and innovative programs and systems to enhance PII privacy protections. The IRS continues to implement the 2D Barcode to reduce social security number (SSN) exposures and the risk of identity theft to taxpayers by printing a standard 2D Barcode that encodes the SSN on each page of a taxpayer notice. To date, this barcode has been applied to 33 types of non-payment notices to protect the SSNs of approximately 15 million taxpayers.

Of equal significance is IRS' development and implementation of the Privacy Impact Assessment (PIA) Management System (PIAMS), which gives IRS the ability to conduct,

review, and approve PIAs in a paperless environment while improving the quality and standardization of these assessments. On February 29, 2012, the Associate Director for Privacy Compliance at IRS provided a briefing on PIAMS for Treasury's Information Privacy Council/Committee members. As a result of this presentation, the Deputy Assistant Secretary for Privacy, Transparency, and Records (DASPTR) and the Director of the Office of Privacy and Civil Liberties (OPCL) have determined that there is a significant potential for making PIAMS an enterprise-wide application for processing PIAs. The DASPTR indicated a desire to move forward with this effort by making a presentation to the Executive Steering Committee for Enterprise Content Management.

Furthermore, in an effort to combat federal income tax-related identity theft, IRS has revised the electronic Form 1040 series to allow for the entry of an Identity Protection PIN. Use of this PIN began in January 2012 and allows taxpayers who have been victims of identity theft to avoid delays in the processing of their returns. In December 2011, 251,000 affected taxpayers received this PIN, which they will use when filing electronic returns.

Finally, for the three-month period ending February 29, Treasury completed approximately 160 reviews including privacy threshold analyses (PTAs), PIAs, Systems of Records Notices (SORNs), and Paperwork Reduction Act requests. As in previous quarters, this total reflects Treasury's proactive commitment to ensuring that its privacy and civil liberties program is taking care to provide the protection for PII and civil liberties that the American people deserve.

3. Quarterly Reporting Matrix

The Department uses a standard reporting framework and instructions tailored to its mission and functions to address Section 803 reporting requirements. In developing the framework and instructions, the Department collaborated with the Office of Management and Budget (OMB) and the other agencies required to report under this section.

The attached chart reporting matrix consolidates all Treasury privacy and civil liberties activities, including data on the reviews conducted, reference to the advisory guidance delivered, and information about written complaints received and processed.

3.1. Types of Potential Complaints

3.1.1. *Privacy Complaint*: A privacy complaint is a written allegation of harm or violation of personal or information privacy filed with the Department. This information may include:

1. Process and procedural issues, such as consent, collection, and appropriate notice;
2. Non-Privacy Act of 1974 issues, such as Terrorist Watchlist Redress process or identity theft mitigation; or
3. Privacy Act of 1974 issues.

3.1.2 Civil Liberties Complaint: A written allegation of harm or violation of the constitutional rights afforded individuals filed with the Department. Types of civil liberties complaints include, but are not limited to:

1. First Amendment (Freedom of speech, religion, assembly, and association);
2. Fourth Amendment (Protection against unreasonable search and seizure); and
3. Fifth Amendment or Fourteenth Amendment, § 1 (Due process and equal protection).

4. Reporting Categories

4.1. Reviews: Reviews include Treasury privacy and civil liberties activities delineated by controlling authorities, such as the Privacy Act of 1974, 5 U.S.C. § 552a; E-Government Act of 2002 (P.L. 107-347); Consolidated Appropriations Act of 2005 (P.L. 108-447); OMB Circular A-130, Appendix 1; and OMB Memo M-07-16. Examples include:

1. Privacy Threshold Analyses – review of an IT system’s use of data to determine whether a PIA is required;
2. PIAs;
3. OMB Memorandum 07-16 issues, including reviewing records to minimize the volume of PII necessary for the proper performance of an agency function, SSN use reduction efforts, or initiatives related to combating identity theft;
4. OMB Circular A-130 issues, including SORNs, routine use descriptions, Agency security contacts, recordkeeping and disposal policies, training practices, continued Privacy Act exemptions under 5 U.S.C §552a (j)(2), (k), and Computer Matching Programs;
5. Persistent Tracking Technology features used on a website;
6. Achievement of machine readability, which ensures that website users are automatically alerted about whether site privacy practices match their personal privacy preferences;
7. Reviews under 5 CFR part 1320 (collection of information/Paperwork Reduction Act);
8. Information Sharing Environment policies and system reviews; and
9. Reviews related to the OMB Circular A-11, Exhibit 300 process.

4.2. Advice: Advice includes written policies, procedures, guidance, or interpretations of requirements for circumstances or business processes that respond to privacy or civil liberties issues or concerns.

4.3. Response to Advice: Specific action taken in response to Treasury *Advice*. Examples of *Response to Advice* include the issuance of a regulation, order, or directive; an interpretation or other guidance issued as a result of the *Advice*, or the reaching of an agreement related to the *Advice*; and issuance of any training programs or other procedures that enhance understanding of the issue that precipitated the request for *Advice*.

4.4. Disposition of Complaints: Treasury action in response to a privacy or civil liberties complaint. In response to a complaint, the Department will:

1. Take direct action (description in the summary report);
2. Refer to another agency or entity that may be able to assist in addressing the complaint (referral agency and explanation in summary report); or
3. Determine that no action is required (explanation in summary report).

The Department will continue to submit quarterly reports in coordination with OMB. The next quarterly report is due June 30, 2012, and will cover the period of March 1, 2012 through May 31, 2012. The data collection period for each report ends approximately 30 days prior to the report deadline.



Department of the Treasury
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 under Section 803 of the 9/11 Commission Act of 2007
 March 31, 2012

Reviews	
Type	Number
Exhibit 300 (Capital Planning and Investment Control) Process	1
System of Records (SOR) Routine Use and SOR Notices	90/4
Privacy Threshold Analyses (PTAs) or Privacy Impact Assessments (PIA)	19/38
OMB Circular A-130	2
5 C.F. R. Part 1320	3
Section 508 Internet Website Scans	2
Records and Information Management Policies and Procedures	2

Advice and Response		
Type	Number	Response
Request for PTA/PIA Guidance	1	Developing internal policy guidance
Develop and Conduct of PTAs/PIAs	2	Provided guidance
Request for Review of Enterprise Content Management Platform Privacy Policy and Practices	1	Provided policy guidance

Complaints	Number	Dispositions
Type	Number	Dispositions
PRIVACY	0	
CIVIL LIBERTIES	0	