



**The Department of the Treasury  
FY 2014 Q1 Report on Privacy and Civil  
Liberties Activities Pursuant to Section 803  
of the Implementing Recommendations of  
the 9/11 Commission Act of 2007**

**For the reporting period  
September 1 to November 30, 2013**

1. Introduction

The Treasury Department is committed to protecting the privacy and civil liberties of individuals in all Treasury programs. In recognition of potential threats to individual privacy resulting from global expansion of information technology (IT), the Department will continue its vigilant oversight of the Personally Identifiable Information (PII) entrusted to its care. In coordination with the Office of Management and Budget (OMB), the Office of Privacy, Transparency, and Records (OPTR) has established a standard reporting framework tailored to the missions and functions of the Department. Accordingly, below is a summary of the OPTR functions pursuant to Section 803 of the Implementing Recommendations of the 9/11 Commission Act of 2007 (P.L. 110-53).

2. Department Actions

*Treasury OPTR Initiatives*

During this reporting period, Treasury completed its biennial review of all systems of records notices (SORNs) as required by the Privacy Act of 1974 (5 U.S.C. § 552a) and Office of Management and Budget Circular No. A-130. This review led to the decommissioning of one system of records and minor changes to accurately describe the current state of the systems of records. Such changes included updating system locations and system manager addresses, and revisions to organizational titles. The biennial review was submitted to OMB, the Senate, and the House for review on December 13, 2013.

OPTR also led an effort to review and revise the Department's FY 2012 - 2013 *Culture of Privacy Awareness* training. In compliance with OMB Memorandum A-130, *Management of Federal Information Resources*, which requires the Department to review its Privacy Act training practices biennially, employees are using the revised training to meet their annual privacy training requirements for FY 2014.

Treasury conducted other reviews during the reporting period as required by: the Privacy Act; the E-Government Act of 2002 (P.L. 107-347); the Consolidated Appropriations Act of 2005 (P.L. 108-447); OMB Circular A-130, Appendix 1; and OMB M-07-16. Examples of the reviews conducted under these authorities include Privacy Threshold Analyses, Privacy

Impact Assessments (PIAs), investigation and remedial measures to address incidents involving personally identifiable information, and reviews of documents related to the OMB Exhibit 300 process.

OPTR routinely provides guidance to Treasury's bureaus regarding the preparation and completion of PIAs and System of Records Notices (SORNs). This guidance is intended to strengthen OPTR oversight of the PIA and SORN processes to ensure compliance with Privacy Act and E-Government Act requirements.

Treasury has 311 systems that contain PII. As of September 30, 2013, all 244 systems that are known to require a PIA had met this requirement. Of the 311 systems in the inventory, 288 are required to have, and have completed and published, SORNs. To provide the public with greater access and transparency, Treasury's PIAs and SORNs may be viewed at the following URLs:

PIAs: <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>

SORNs: <http://www.treasury.gov/privacy/issuances/Pages/default.aspx#TREASURY>

#### *IRS Initiatives*

During this reporting period, the IRS continued implementing its comprehensive identity theft strategy. This effort focuses on preventing refund fraud, investigating crimes, and assisting victimized taxpayers. Work to prevent identity theft and refund fraud continues to grow, touching nearly every part of the organization, and includes:

Identity Protection Personal Identification Number (IP PIN) – The IRS issues IP PINs to taxpayers victimized by identity theft to verify their identity and provide added protection for electronic filing of tax returns. For the 2014 filing season, the IRS will issue 1.2 million IP PINs to taxpayers with an identity theft account marker. New pages at [irs.gov](http://irs.gov) on the IP PIN process provide information to taxpayers qualified to receive an IP PIN as well as information regarding the new IP PIN replacement process.

Return Review Program (RRP) – The IRS is fortifying the RRP for the prevention and initial identification of fraudulent federal tax returns. The RRP is focused on recognizing identity theft, thwarting the issuance of fraudulent refunds, and expediting the resolution of tax issues affecting identity theft victims. Through the RRP, the IRS has, for example, implemented a variety of mechanisms to stop criminals from using deceased individuals' identities to perpetrate fraud. One preventative measure for the upcoming filing season involves locking the accounts of more than 11 million deceased taxpayers who no longer have a filing requirement.

Business Master File (BMF) Identity Theft – The IRS is seeing an increase in the number of bogus business and employment returns filed with intent to steal identities, conceal fraud, and claim fraudulent refunds. This quarter, a team of cross-functional subject matter experts met to discuss BMF identity theft and the impact to tax administration. The team established a framework for the operating divisions to craft specific functional guidance and developed a new form, Form 14039-B, *Identity Theft Affidavit - Business*, for reporting business incidents.

### 3. Quarterly Reporting Matrix

The attached 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 filed with the Department concerning a problem with or violation of privacy protections in the administration of the programs and operations of the Department that may be the cause of harm or violation of personal or information privacy. This information may include:

- Process and procedural issues, such as consent, collection, and appropriate notice;
- Non-Privacy Act of 1974 issues or identity theft mitigation; or
- Privacy Act of 1974 issues.

*3.1.2. Civil Liberties Complaint:* A written allegation filed with the Department alleging harm or violation of an individual's constitutional rights. Types of civil liberties complaints include, but are not limited to:

- First Amendment (Freedom of speech, religion, assembly, and association);
- Fourth Amendment (Protection against unreasonable search and seizure); and
- 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. OMB Circular A-130, Appendix 1; and OMB Memo M-07-16. Examples include:

- Privacy Threshold Analyses (PTAs) – review of an IT system's use of data to determine whether a PIA is required;
- PIAs – both a risk assessment process and a document representing the output of that process. PIAs are conducted to: identify privacy and civil liberties risks in systems, programs, and other activities that maintain PII; ensure that information systems, programs, and other activities comply with legal, regulatory, and policy requirements; analyze the privacy and civil liberties risks identified; identify remedies, protections, and alternative or additional privacy controls necessary to mitigate those risks; and provide notice to the public of privacy and civil liberties protection practices;

- OMB Memorandum 07-16 reviews conducted to minimize the volume of PII necessary for the proper performance of an agency function, Social Security number (SSN) use reduction efforts, or initiatives related to combating identity theft;
- OMB Circular A-130 reviews consist of reviews of 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;
- Persistent Tracking Technology features used on a website;
- Achievement of machine readability, which ensures that website users are automatically alerted about whether site privacy practices match their personal privacy preferences;
- Reviews under 5 C.F.R. part 1320 (collection of information/Paperwork Reduction Act);
- Information Sharing Environment Privacy Guidelines Assessment including policies and system reviews; and
- 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 Responses to advice include issuing a regulation, order, or directive; interpreting or otherwise issuing guidance as a result of advice; reaching an agreement related to the Advice; and developing 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 March 30, 2014, and will cover the period December 1, 2013, through February 28, 2014. The data collection period for each report ends approximately 30 days prior to the report deadline.



## Department of the Treasury Quarterly Report on Privacy and Civil Liberties Activities under Section 803 of the 9/11 Commission Act of 2007 December 31, 2013

Reviews		Number
Type	Number	Number
Privacy Threshold Analyses (PTAs)/Privacy Impact Assessments (PIAs)	35/15	
System of Records (SOR) Routine Use/ SOR Notices (SORNs)	46	
SSN Elimination or Redaction on Forms	59	
Computer Matching Agreements (CMAs)	2	
Section 508 Internet Website Scan	9	
Treasury-requested Non-Commerce/Commerce Site Scan	4	

Advice and Response		Number	Response
Type	Number	Response	Response
Ongoing work with bureaus and offices to analyze PTA responses to ensure that a PIA is not required. Reviewing PIAs to ensure clarity and compliance with OMB and E-Government Act requirements.	35	Published PIAs after analysis and feedback.	
Ongoing reviews of SORNs to ensure compliance with Privacy Act and OMB requirements.	46	Published SORNs after analysis and feedback.	
Leveraging the OMB Exhibit 300, PIA, and SORN processes to identify systems using or proposing to use SSNs, exploring alternatives and eliminating usage.	59	Eliminating use of SSNs, and exploring alternatives.	
Oversee and coordinate the Data Integrity Board review process.	2	Publish CMAs after DIB approval.	
Conduct routine, monthly scans of Treasury websites for potential 508 violations and identify and remediate issues revealed by the scans if necessary.	9	Remediation of issues identified in the scans.	
Remediate issues revealed by the scans if necessary.	0	None.	

Complaints		Number	Dispositions
Type	Number	Dispositions	Dispositions
PRIVACY			
Loss PIV Cards	4	Police reports were filed and/or badges were replaced.	
Possible PII Exposure/Spillage	1	This incident is being handled through the Bureau Office of Chief Counsel.	
CIVIL LIBERTIES			
Allegations of violations of due process.	2	Litigations pending in various jurisdictions	