



**The Department of the Treasury
Semiannual 2015 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
August 1, 2014 to January 31, 2015**

1. Introduction

The Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Commission Act), P.L. 110-53, require the Department of the Treasury (Treasury) to appoint a senior officer to serve as its Privacy and Civil Liberties Officer (PCLO). Treasury designates the Treasury Assistant Secretary for Management (ASM) as Treasury's PCLO. As the Department's PCLO, the ASM is responsible for implementing the 9/11 Commission Act privacy and civil liberties requirements.

To assist the ASM with these responsibilities, Treasury Directive (TD) 25-04, "The Privacy Act of 1974, As Amended," designates the Deputy Assistant Secretary for Privacy, Transparency, and Records (DASPTR) as the ASM's principal advisor on issues related to privacy and civil liberties. The DASPTR leads the Office of Privacy, Transparency, and Records (PTR) and provides the ASM with day-to-day support in executing his PCLO duties.

Treasury is publishing this report pursuant to Section 803 of the 9/11 Commission Act, which requires the PCLO to periodically, but no less than semiannually, prepare a report on the privacy and civil liberties activities of the Department. Accordingly, below is a description and summary of the Department's activities for the reporting period.

2. Treasury Actions

Treasury is committed to protecting the privacy and civil liberties of individuals who may be affected by its programs. In recognition of potential threats to individual privacy and civil liberties resulting from information technology, Treasury continues its vigilant oversight of the personally identifiable information (PII) entrusted to its care. During this reporting period, two major events occurred: PTR continued the Treasury-wide initiative to expand its compliance documentation and the Internal Revenue Service (IRS) continued its reduction of Social Security numbers (SSNs.)

Departmental Initiatives

PTR is working with Treasury bureaus to expand its Privacy Impact Assessment (PIA) template and manual to include an assessment of both the privacy and civil liberties risks associated with the collection, maintenance, and disposition of PII. The revised template and manual modify current Treasury implementation of the e-Government Act of 2002 and Office of Management and Budget (OMB) Memorandum 03-22, “OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002,” to incorporate the expanded responsibilities assigned to the ASM by TD 25-09, “Privacy and Civil Liberties Activities Pursuant to Section 803 of the Implementing Recommendations of the 9/11 Commission Act of 2007, P.L. 110-53” and National Institute for Standards & Technology (NIST) Special Publication 800-53, Appendix J (Revision 4) (requiring agency Senior Agency Officials for Privacy (SAOP) to assess and certify system privacy controls before they are authorized to operate). When completed and approved, the assessment will be renamed “Privacy and Civil Liberties Impact Assessment” to reflect its broadened scope.

PTR continues to lead Treasury’s implementation of NIST 800-53, Appendix J, system privacy controls through a revision of current TD 25-07, “Privacy Impact Assessment.” These controls ensure that appropriate privacy controls are embedded in information practices throughout system development and implementation. PTR is working very closely with the Office of the Chief Information Officer (OCIO) to ensure the privacy controls are embedded in applicable Treasury systems and policies. For example, PTR worked with the OCIO to revise TD 85-01, “Department of the Treasury Information Technology (IT) Security Program,” to assign responsibility for implementing the privacy controls to the DASPTR.

In addition to the activities mentioned above, PTR continues to conduct reviews required by: the Privacy Act of 1974, as amended; the e-Government Act of 2002; the Consolidated Appropriations Act of 2005; OMB Circular A-130, Appendix 1, “Federal Agency Responsibilities for Maintaining Records About Individuals”; and OMB Memorandum 07-16, “Safeguarding Against and Responding to the Breach of Personally Identifiable Information.” Examples of the reviews conducted under these authorities include Privacy Threshold Assessments (PTA), PIAs, investigations and remedial measures to address incidents involving PII, and reviews of documents related to OMB Exhibit 300, “Planning, Budgeting, Acquisition, and Management of Information Technology Capital Assets.”

Treasury currently maintains 627 systems containing PII. To increase transparency and provide the public with greater access to information about its systems and their associated safeguards, Treasury posts PIAs and System of Records Notices (SORN) to the following websites:

PIAs: <http://www.treasury.gov/privacy/PIAs>

SORNs: <http://www.treasury.gov/privacy/issuances>

IRS Initiatives

During this reporting period, the IRS continued implementing its comprehensive strategy to prevent identity theft. These efforts focus on eliminating the use of SSNs on payment notices, and protecting tax information. This included thirty-five additional notices with an annual volume of 17.5 million SSNs masked. In addition, the IRS added a Two-Dimensional barcode to twenty-two automated collection notices with an annual volume of 5.2 million to replace previously masked SSNs to further protect identities.

The IRS also conducted a Business Process Risk Assessment (BPRA) on the Contractor End of Contract process. Consistent with OMB M-06-15 and M-07-16, the BPRA is a tool available to ensure the IRS has adequate safeguards to prevent the intentional or negligent misuse of, or unauthorized access to, PII. The BPRA focused on how IRS contractors dispose of PII and other Sensitive but Unclassified data at the conclusion of the contract, or when the PII is no longer needed by the contractor.

3. Semiannual Reporting Matrix

The attached reporting matrix consolidates all Treasury privacy and civil liberties activities during the reporting period, 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 Treasury concerning a problem with or violation of privacy protections in the administration of the programs and operations of Treasury 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 Treasury 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 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 M-07-16. Included in this report are:

- PTAs – review of an IT system’s use of information to determine whether a PIA is required;
- PIA (soon to be renamed PCLIA) – refers to both a risk assessment for privacy issues and a document representing the output of that process. PIAs are conducted to: identify privacy 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 M 07-16 reviews – conducted 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;
- OMB Circular A-130 reviews – consist of reviews of systems of records notices (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;
- Ensuring machine readability of privacy policies on Treasury websites, 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, Treasury will:

1. Take direct action (description in the summary report);

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

Treasury will continue to submit semiannual reports in coordination with OMB. The next semiannual report is due August 30, 2015, and will cover the period of February 1, 2015, through July 31, 2015. The data collection period for each report ends approximately 30 days prior to the report deadline.



Department of the Treasury

Semiannual Report on Privacy and Civil Liberties Activities under Section 803 of the 9/11 Commission Act of 2007

January 31, 2015

Reviews	
Type	Number
Privacy Threshold Analyses (PTAs)/Privacy Impact Assessments (PIAs)	PTA/29 PIA/71
System of Records (SOR) Routine Use/ SOR Notices (SORNs)	8
SSN Elimination or Redaction on Forms	3
Computer Matching Agreements (CMAs)	58
Section 508 Internet Website Scan	86%
Treasury-requested Non-Commerce/Commerce Site Scan	1

Advice and Response		
Type	Number	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.	5	
Ongoing reviews of SORNs to ensure compliance with Privacy Act and OMB requirements.	1	
Leveraging the OMB Exhibit 300, PIA, and SORN processes to identify systems using or proposing to use SSNs, exploring alternatives and eliminating usage.	0	
Support the Data Integrity Board review process of computer Matching Agreements originating in your Bureau.	0	
Conduct routine, monthly scans of Treasury websites for potential 508 violations and identify and remediate issues revealed by the scans if necessary.	0	
Remediate issues revealed by the scans if necessary.	0	

Complaints		Dispositions
Type	Number	
PRIVACY	0	
CIVIL LIBERTIES	5	One case determined no action appropriate, four cases still pending.