



**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  
February 1, 2015 to July 31, 2015**

1. Introduction

Treasury designates the Treasury Assistant Secretary for Management (ASM) as Treasury's Privacy and Civil Liberties Officer (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.

Section 803 of the 9/11 Commission Act of 2007<sup>1</sup>, sets forth the following requirements:

“(f) Periodic Reports-

(1) In General –

The privacy officers and civil liberties officers of each department, agency, or element referred to or described in subsection (a) or (b) shall periodically, but not less than semiannually<sup>2</sup>, submit a report on the activities of such officers—

(A)(i) to the appropriate committees of Congress, including the [Committee on the Judiciary of the Senate](#), the [Committee on the Judiciary of the House of Representatives](#), the [Committee on Homeland Security and Governmental Affairs of the Senate](#), the [Committee on Oversight and Government Reform of the House of Representatives](#), the [Select Committee on Intelligence of the Senate](#),

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<sup>1</sup> 42 U.S.C. § 2000ee-1.

<sup>2</sup> Pursuant to the Intelligence Authorization Act for Fiscal Year 2014, Pub. L. No. 113-126 (July 7, 2014), the reporting period was changed from quarterly to semiannually.

and the [Permanent Select Committee on Intelligence of the House of Representatives](#);

(ii) to the head of such department, agency, or element; and

(iii) to the [Privacy and Civil Liberties Oversight Board](#); and

(B) which shall be in unclassified form to the greatest extent possible, with a classified annex where necessary.

(2) Contents –

Each report submitted under paragraph (1) shall include information on the discharge of each of the functions of the officer concerned, including—

(A) information on the number and types of reviews undertaken;

(B) the type of advice provided and the response given to such advice;

(C) the number and nature of the complaints received by the department, agency, or element concerned for alleged violations; and

(D) a summary of the disposition of such complaints, the reviews and inquiries conducted, and the impact of the activities of such officer.”

## 2. Privacy Reviews

Treasury reviews programs and information technology (IT) systems that may have privacy implications. For purposes of this report, reviews include the following Treasury activities:

1. Privacy Threshold Analyses, which are the Treasury mechanism for reviewing IT systems, programs, and other activities for privacy protection issues to determine whether a more comprehensive Privacy and Civil Liberties Impact Assessment (PCLIA) is required;
2. Privacy Impact Assessments (Treasury PCLIA), as required by the E-Government Act of 2002<sup>3</sup>;
3. System of Records Notices, as required under the Privacy Act and any associated Final Rules for Privacy Act exemptions<sup>4</sup>;
4. Privacy Act Statements, as required under the Privacy Act<sup>5</sup>, to provide notice to individuals at the point of collection;
5. Computer Matching Agreements, as required under the Privacy Act;<sup>6</sup>
6. Data Mining Reports, as required by Section 804 of the 9/11 Commission Act of 2007;<sup>7</sup>
7. Privacy Compliance Reviews;
8. Privacy reviews of IT and program budget requests, including Office of Management and Budget Exhibit 300s and Enterprise Architecture Alignment Requests through the Department of Homeland Security Enterprise Architecture Board; and
9. Other privacy reviews, such as implementation reviews for information sharing agreements.

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<sup>3</sup> 44 U.S.C. § 3501 note.

<sup>4</sup> 5 U.S.C. § 552a(j), (k).

<sup>5</sup> 5 U.S.C. § 552a(e)(3).

<sup>6</sup> 42 U.S.C. § 2000ee-3.

<sup>7</sup> 6 U.S.C. § 142.

### 3. Privacy and Civil Liberties Impact Assessments

The PCLIA process is one of Treasury's key mechanisms to ensure that programs and technologies sustain, and do not erode, privacy protections. As of July 31, 2015, Treasury completed PCLIA's for 100 percent of its operational Federal Information Security Management Act (FISMA) systems subject to the requirement.

During the reporting period, Treasury published 63 new, updated, or renewed PCLIA's. Two of these PCLIA's are summarized below. All published Treasury PCLIA's are available at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx>. Please consult our website for the full text of the PCLIA's summarized below.

Appeals Centralized Database System (ACDS): <http://www.irs.gov/pub/irs-pia/acds-pia.pdf>

ACDS is a mission critical system supporting the activities of the Internal Revenue Service (IRS) Appeals organization ("Appeals"). ACDS is a web-based application that has no external interfaces and is only accessible from the IRS intranet. ACDS supports and captures information on many of the core business activities, including inventory and statute control, tracking case status and issues, assigning employees to cases, creating and maintaining employee timesheets, and documenting case reviews. ACDS records case time and monitors the progress of the Appeal's workload. Additionally, ACDS is used for all Appeal's management information statistics and produces management information reports. The reports generated by ACDS are used to improve the quality of service and to provide IRS executives with timely and accurate metrics on how well the Appeals organization is meeting its strategic goals and supporting IRS and Treasury goals.

Constituent Relationship Management (CRM) Tool: [http://financialresearch.gov/site-info/files/ofr\\_privacy\\_and\\_civil\\_liberties\\_impact\\_assessment.pdf](http://financialresearch.gov/site-info/files/ofr_privacy_and_civil_liberties_impact_assessment.pdf)

CRM will assist the Office of Financial Research (OFR) with: (i) consolidating, storing, and managing individual business contact information obtained as a result of professional relationships; (ii) annotating an individual's interest and expertise in areas of financial research that align with OFR's mission; and (iii) facilitating strategic or targeted outreach efforts around OFR events, announcements, and publications (including capturing interest in or attendance at past OFR events and tracking the actual number of times and circumstances in which OFR reached out to the individual).

CRM is designed to serve as an internal, centralized repository of business and professional contact information, such as names, professional affiliation, telephone numbers and other information. CRM provides a secure and efficient means of organizing and managing such information in a manner that will assist with OFR's research based mission.

#### 4. System of Records Notices

As of July 31, 2015, Treasury completed System of Records Notices (SORN) for 100 percent of its operational FISMA systems that require a SORN. SORNs receive biennial reviews to ensure that they comply with the standards outlined in the Privacy Act. If the biennial review reveals that no update is required, the original SORN remains in effect.

During the reporting period Treasury published two new SORNs (one of these SORNs is summarized below) three SORN Alterations, and one Final Rule. All Treasury SORNs, Notices of Proposed Rulemaking, and Final Rules for Privacy Act Exemptions are available at <http://www.treasury.gov/privacy/issuances/Pages/default.aspx>. Please consult our website for the full text of the SORNs summarized below.

Use of Shredded U.S. Currency System – BEP

.050: <https://www.federalregister.gov/articles/2015/03/17/2015-06023/privacy-act-of-1974-as-amended-system-of-records>

The purpose of this system of records is to establish paper-based files and an electronic database that facilitates the processing of requests for use of shredded U.S. currency for artistic or commercial purposes. Records are for internal purposes only and will facilitate the approval process performed by the Chief, Office of Compliance.

These records may be disclosed to appropriate agencies, entities, and persons when: (a) The Department suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (b) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

## 5. Privacy Compliance Reviews

The federal government conducts Privacy Compliance Reviews (PCR) to ensure that programs and technologies implement and maintain appropriate privacy protections for PII. The PCR is a collaborative effort that helps improve a program's ability to comply with existing privacy requirements by identifying and remediating gaps in compliance documentation, including PCLIA's, SORNs, and formal agreements such as Memoranda of Understanding and Memoranda of Agreement. Treasury regularly conducts informal PCRs with its bureaus when necessary. During this reporting period, Treasury conducted an informal PCR on Treasury's new external sub site, <https://thenew10.treasury.gov/>. From this review, Treasury determined that a public notice and PCLIA were both needed to ensure compliance. The public notice is available here: <http://www.gpo.gov/fdsys/pkg/FR-2015-06-24/pdf/2015-15372.pdf>. The PCLIA for this site will be posted once it is published.

## 6. Advice and Responses

During the reporting period, the IRS issued interim Guidance on Sending Sensitive But Unclassified Information and/or Work-Related Documents to External Email Addresses. This interim guidance, Privacy, Governmental Liaison, and Disclosure-10-0615-0003, discusses encryption standards for personally identifiable information transmitted outside of IRS networks.

Ninety-nine percent of Treasury personnel and contractors completed the mandatory computer-assisted privacy training course, "A Culture of Privacy Awareness."

## 7. Privacy Complaints and Dispositions

For purposes of Section 803 reporting, complaints are written allegations of harm or violation of privacy compliance requirements filed with privacy and civil liberties programs within Treasury. The categories of complaints reflected in the following table are aligned with the categories detailed in the Office of Management and Budget's Memorandum M-08-21, *FY 2008 Reporting Instructions for the Federal Information Security Management Act and Agency Privacy Management*. U.S. citizens, Legal Permanent Residents, visitors, and aliens submit complaints.

## 8. Conclusions

As required by the 9/11 Commission Act, this quarterly report summarizes Treasury's privacy activities from February 1 – July 31, 2015. Treasury will continue to work with the

Congress, colleagues in other federal departments and agencies, and the public to ensure that privacy is protected in all of our efforts.



**U.S. Department of the Treasury**  
**Semiannual Report on Privacy and Civil Liberties Activities**  
**under Section 803 of the 9/11 Commission Act of 2007**  
**March 1, 2015 through July 31, 2015**



Reviews		Advice and Response			Complaints		Dispositions
Type	Number	Type	Number	Response	Type	Number	Summary
Privacy Threshold Analyses (PTAs)/Privacy Impact Assessments (PIAs)	PTA/48 PIA/63	Ongoing work with bureaus and offices to analyze PTA responses to ensure that a PCLIA is not required. Reviewing PCLIA's to ensure clarity and compliance with OMB and E- Government Act requirements.	11		PRIVACY	1	
System of Records (SOR) Routine Use/ SOR Notices (SORNs)	4	Support the Data Integrity Board review process of computer Matching Agreements originating in your Bureau.	1	Pilot program approved			
SSN Elimination or Redaction on Forms	75						
Computer Matching Agreements (CMAs)	2						
Section 508 Internet Website Scan	90 %				CIVIL LIBERTIES	4	All four cases resolved in favor of the government.
Treasury-requested Non-Commerce/Commerce Site Scan	1						