



**The Department of the Treasury  
Semiannual 2020 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  
October 1, 2020 to March 31, 2021**

1. Introduction

The Assistant Secretary for Management (ASM) is the Department of the Treasury's (Treasury) Chief Privacy and Civil Liberties Officer (CPCLO). As the CPCLO, the ASM is responsible for implementing the 9/11 Commission Act of 2007's privacy and civil liberties requirements.

To assist the ASM with these responsibilities, Treasury Directive 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 PCLO duties.

This report is submitted pursuant to section 803 of the Implementing Recommendations of the 9/11 Commission Act of 2007,<sup>1</sup> which 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, 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](#), and the [Permanent Select Committee on Intelligence of the House of Representatives](#);
  - (ii) to the head of such department, agency, or element; and

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<sup>1</sup> 42 U.S.C. § 2000ee-1(f).

(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.

The Intelligence Authorization Act for Fiscal Year 2014, Pub. L. No. 113-126 (July 7, 2014), changed the reporting period from quarterly to semiannually. The semiannual reports cover the following time periods: April – September and October – March. This report covers PCLO activities from October 1, 2020 through March 31, 2021.

## 2. Privacy Reviews

Treasury reviews programs and information technology (IT) systems that may present privacy risks. Privacy and civil liberties reviews include the following Treasury activities:

- a) Privacy and Civil Liberties 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 is required;
- b) Privacy and Civil Liberties Impact Assessments as required by the E-Government Act of 2002;<sup>2</sup>
- c) System of Records Notices, as required by the Privacy Act, and any associated Final Rules for Privacy Act exemptions;<sup>3</sup>
- d) Privacy Act Statements, as required by the Privacy Act,<sup>4</sup> to provide notice to individuals at the point of collection;
- e) Computer Matching Agreements, as required by the Privacy Act;<sup>5</sup>
- f) Data Mining Reports, as required by Section 804 of the 9/11 Commission Act of 2007;<sup>6</sup>
- g) Privacy Compliance Reviews;

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<sup>2</sup> 44 U.S.C. § 3501 note.

<sup>3</sup> 5 U.S.C. §§ 552a(j), (k). *See also* Office of Management and Budget (OMB) Circular No. A-108, “Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act,” 81 FR 94424 (Dec. 23, 2016).

<sup>4</sup> 5 U.S.C. § 552a(e)(3).

<sup>5</sup> 5 U.S.C. § 552a(o)-(u).

<sup>6</sup> 42 U.S.C. § 2000ee-3.

- h) Privacy reviews of IT and program budget requests, including Office of Management and Budget Exhibit 300s; and,
- i) Other privacy reviews, such as implementation reviews for information sharing agreements.

### 3. Privacy and Civil Liberties Impact Assessments (PCLIA)

The PCLIA process is one of Treasury's key mechanisms to ensure that programs and technologies sustain, and do not erode, privacy protections. During the reporting period, Treasury published 81 new, updated, or renewed PCLIA's. The following are examples of a new PCLIA's for which two bureaus provided summaries:

- The Alcohol & Tobacco Tax & Trade Bureau (TTB) completed 3 PCLIA(s) during the reporting period for the Tax Major Application (TMA) system as part of testing to be reviewed for the FY21 FISMA Audit and TTB's continuous monitoring process for Permits Online (PONL), Integrated Revenue Information System (IRIS), and Auto Audit. In addition, TTB completed the Regulatory Major Application (RMA) as part of testing they reviewed the FY21 FISMA Audit and TTB's continuous monitoring process for Formulas Online (FONL), Certificate of Label Approval Online (COLAs), and Laboratory Information Management System (LIMS).
- The Internal Revenue Service Bureau (IRS) completed the PCLIA for Get My Payment, (GMP) which is a non-recordkeeping system that was implemented as part of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* and is used by the Small Business and Self-Employed (SB/SE) system. The SB/SE system allows taxpayers receiving a stimulus to determine when it will be received. This system is also used solely at the discretion of the user to retrieve their stimulus; and individuals are not required to use the application. The IRS Privacy Compliance & Review (PCR) worked closely with the business unit to address the accuracy and completeness of the PCLIA. After an initial review of the PCLIA, PCR identified several items that needed correction including:
  - System dissemination of SBU/PII
  - Verifying Security Assessment and Authorization (SA&A) or Annual Security Control Assessment (ASCA)
  - System's audit trail
- The IRS also completed the Electronic Fraud Detection System (EFDS), is a mission critical, stand-alone automated system used by Wage and Investment (W&I) designed to maximize fraud detection at the time tax returns are filed to eliminate the issuance of questionable refunds. IRS

PCR worked with the business unit to address the accuracy and completeness of the PCLIA. After an initial review of the PCLIA, PCR identified several items that needed correction, including:

- Other types of SBU/PII used in the system
- System dissemination of SBU/PII to other IRS Systems

Because of the IRS PCR recommendations, changes were made to the PCLIA.

All published Treasury PCLIA's are available on Treasury's PCLIA website: <https://www.treasury.gov/privacy/PIAs/Pages/default.aspx> (links are also provided to bureau websites where additional PCLIA's are posted).

#### 4. System of Records Notices (SORN)

During the reporting period, Treasury published or updated 9 SORNs. Treasury has determined that the information contained in its systems of records is accurate, timely, relevant, complete, and necessary to maintain the proper performance of a documented agency function. All Treasury SORNs, Notices of Proposed Rulemaking, and Final Rules for Privacy Act exemptions are available on Treasury's SORN website, <https://home.treasury.gov/footer/privacy-act/system-of-records-notice-sorn>.

#### 5. Computer Matching Programs (CMAs)

Treasury participates in 59 re-established and 4 active computer matching programs that were renewed in accordance with the Privacy Act of 1974, as amended. The computer matching provisions of the Privacy Act improve oversight of the disclosure of automated Privacy Act records in inter-agency information sharing arrangements known as matching programs. These provisions also protect the due process rights of individuals whose records are exchanged in such programs. To comply with the Act, as well as all relevant regulations and guidance, Treasury established a Data Integrity Board to review and approve matching agreements. All Treasury CMAs are available on Treasury's CMA website, <https://home.treasury.gov/footer/privacy-act/computer-matching-programs>.

During the reporting period, the Data Integrity Board reviewed and approved 12-month renewals for certain CMAs.

- a) The Disclosure of Information to Federal, State and Local Agencies (DIFSLA) Data Exchange- The Disclosure of Information to Federal, State and Local Agencies (IRS Project 066 - DIFSLA) CMA between the Internal Revenue Service (IRS) and 53 state agencies has The Disclosure of Information to Federal, State and Local Agencies (DIFSLA) Data Exchange program reduces fraud and abuse in certain federally-assisted benefit programs. The CMA memorializing all 53 agreements is available at [85 FR 64227](#) (October 9, 2020).
- b) The Income-Related Adjustments to Medicare Premiums IRC § 6103(1) (20)

authorizes IRS to disclose specified return information to the SSA with respect to taxpayers whose Part B and/or prescription drug coverage insurance premium(s) may (according to IRS records) be subject to premium subsidy adjustment pursuant to section 1839(i) or premium increase pursuant to §1860D-13(a) (7) of the Social Security Act for the purpose of establishing the amount of any such adjustment or increase. The return information IRS will disclose includes adjusted gross income and specified tax-exempt income. The agreement is available at [85 FR 47837](#) (August 6, 2020).

- c) Verification of Household Income and Family Size for Insurance Affordability Programs and Exemptions- Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS) Section 6103(l)(21) of the Internal Revenue Code authorizes the IRS to disclose certain items of return information to the Centers for Medicare and Medicaid Services (CMS) as a part of the eligibility determination process for programs covered by various sections of the Patient Protection and Affordable Care Act (ACA). The agreement is available at [85 FR 8873](#) (February 18, 2020).
- d) Medicare Part D Prescription Drug Benefit Program (CMA 1304)- The Bureau of Fiscal Services discloses ownership of Savings Securities to the SSA, which will provide SSA with information necessary to verify an individual's self-certification of his or her financial status to determine eligibility for low income subsidy assistance (Extra Help) in the Medicare Part D prescription drug benefit program established under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173). The agreement is available at [85 FR 82025](#) (December 17, 2020).

## 6. Privacy Compliance Reviews (PCRs)

Treasury conducts PCRs to ensure that programs and technologies implement and maintain appropriate protections for personally identifiable information. 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 PCLIAs, SORNs, and formal agreements, such as memoranda of understanding and memoranda of agreement. Treasury conducts informal PCRs with its bureaus and offices when necessary. Informal PCRs are also sometimes done as part of other requirements, such as the Treasury PCLIA requirement and reviews of particular issues required in external reports to Congress. For example, in preparing the Social Security number (SSN) Fraud Prevention Act Report each year, Treasury reviews the existing circumstances under which Treasury bureaus and offices include SSNs in mailings outside the Department to ensure that the Treasury bases for permitting the mailing of SSNs are still valid. Treasury policy only allows the collection, maintenance, and use of SSNs under the following circumstances: (1) security background investigations; (2) interfaces with external entities that require the SSN; (3) a legal/statutory basis (i.e., where collection is expressly required by statute); (4) when there is no reasonable, alternative means for meeting business requirements; (5) statistical and other research purposes; (6) delivery of government benefits, privileges, and

services; (7) law enforcement and intelligence purposes; and (8) aging systems with technological limitations combined with funding limitations render impossible system updates or modifications to add privacy risk reduction tools (partial/truncated/redacted or masked SSNs). In the absence of a compelling argument to the contrary, no other SSN uses are allowed. Treasury remains focused on eliminating the use of SSNs whenever possible and safeguarding SSNs that must be collected and maintained because no reasonable alternative exists. In preparation for the 2019 report (submitted to Congress in October of 2019) Treasury determined that the eight bases for using SSNs in external mailings remain valid.

## 7. Advice and Responses

Treasury provides privacy and civil liberties advice to its bureaus and offices throughout the year. Some of this advice originates from *ad hoc* responses PTR provides to bureaus and offices on a daily basis. Other advice originates from discussions within Treasury bureaus between the bureaus' privacy and civil liberties stakeholders (including legal counsel, as necessary) and systems owners, program managers and staff. PTR and the bureau privacy and civil liberties stakeholders also provide advice during the PCLIA process, advising system owners and program managers on Privacy Act, records management, Paperwork Reduction Act, and other requirements to ensure they fully comply with applicable law in the operation of their information systems.

## 8. Privacy Complaints and Dispositions

For purposes of Section 803 reporting, complaints are written allegations of harm or violation of privacy compliance requirements filed with Treasury's privacy and civil liberties programs. The categories of complaints are reflected in Appendix A below.

## 9. Conclusions

As required by the 9/11 Commission Act, and in accordance with the Intelligence Authorization Act for Fiscal Year 2014, this semiannual report summarizes Treasury's privacy activities from October 1, 2020 through March 31, 2021. Treasury will continue to work with Congress, colleagues in other federal departments and agencies, and the public to continue to protect privacy in all of our activities.



**Appendix A: Department of the Treasury**  
**Semiannual Report on Privacy and Civil Liberties Activities**  
**Under Section 803 of the 9/11 Commission Act of 2007**  
**October 1, 2020 through March 31, 2021**

Reviews	
Type	Number
Privacy (and Civil Liberties) Threshold Analysis (PTAs/PCLTAs)	60
Privacy (and Civil Liberties) Impact Assessments (PIAs/PCLIAs)	81
System of Records (SOR) Routine Use/ SOR Notices (SORNs)	
Computer Matching Agreements (CMAs)	63
Section 508 International Website scans	Internet: 97% Intranet: 41%

Advice and Response		
Type	Number	Response
Provide advice and recommendation regarding proper handling of PII/limiting access based on need to know	0	N/A
Provide advice and/or recommendation on relevance and necessity of data collection/ingestion	1	Pending
Provided guidance to system owners or personnel on necessary privacy compliance documentation or appropriate NIST risk rating.	0	N/A
Provide advice and recommendation on internal/external sharing of PII (including Privacy Act info)	1	Accepted
Provide advice and recommendation on web privacy policies/privacy notices	2	Accepted

Complaints		
Type of claim or assertion in complaint	Number of complaints	Disposition
PRIVACY: Unauthorized disclosure (internal/external)	Internal: 0 External: 0	N/A
PRIVACY: Collection	External: 0	N/A
PRIVACY: (Other: Describe)	0	N/A
CIVIL LIBERTIES: Violation 1 <sup>st</sup> , 4 <sup>th</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> , 14 <sup>th</sup> and/or 16 <sup>th</sup> Amendment rights	21-IRS Complaints/ amendments alleged to have been violated.	9 – Pending final decision 12 – Resolved in favor of the Government
CIVIL LIBERTIES: (Other: Describe)	0	N/A