



**The Department of the Treasury  
FY 2013 Q2 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  
December 1, 2012 to February 28, 2013**

**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 its care. In coordination with the Office of Management and Budget (OMB), the Department has established a standard reportable framework tailored to the missions and functions of the Office of Privacy, Transparency, and Records (OPTR). Accordingly, below is an outline defining the functions on which OPTR is required to report under Section 803.

**2. Department Actions**

According to the Chief Administrative Officer of the Privacy and Civil Liberties Oversight Board (PCLOB), Treasury became the first agency to forward a quarterly Section 803 Report to the PCLOB.

The IRS continues to demonstrate its commitment to maintaining the privacy of all American taxpayers, through its **Identity Protection Personal Identification Number (IP PIN) Program**. The IP PIN is a 6-digit number designed to provide added protection to victims of identity theft. The IP PIN allows legitimate returns to bypass identity theft filters and prevent the processing of fraudulent returns, thereby allowing taxpayers to avoid delays in their federal tax return processing. For tax year (TY) 2012, IRS expanded the IP PIN population to 772,666 taxpayers (from 57,000 in TY 2010 and 251,000 in TY 2011). Additionally, the Office of Identity Protection enhanced the replacement IP PIN process for TY 2012 by implementing streamlined procedures for taxpayers who lose or misplace their IP PIN. Replacement IP PINs will now be issued at point of contact (by customer service representatives via the telephone or in a Taxpayer Assistance Center) after successful authentication by the taxpayer.

Treasury has continued its active involvement in the Information Sharing Environment (ISE) during the second quarter of FY 2013. The Director of the Office of Privacy Civil Liberties and Paperwork Reduction (OPCLPR) continues to serve as the chairperson of the ISE's Privacy and Civil Liberties Subcommittee's Compliance Review Working Group (CRWG). The CRWG developed a privacy and civil liberties checklist for implementing the ISE Privacy Guidelines. This checklist is serving as a compilation of the privacy and civil liberties requirements and best practices derived from those guidelines. Treasury's Office of Intelligence and Analysis (OIA) volunteered to conduct a pilot of this checklist to assess any potential issues in its implementation, especially with respect to Intelligence Community elements. OIA completed the pilot and the results have been sent to the CRWG for consideration by the ISE Privacy and Civil Liberties Subcommittee.

In the fall of calendar year 2012, OPTR launched an initiative to create a clearance tracking (CT) application for privacy impact assessments (PIAs) which will be hosted on SharePoint and accessible to Treasury headquarters and its 12 bureaus. CT for PIAs will give users the capability to draft, edit, review, comment, and approve PIAs on line. This will streamline the PIA review and approval process, replacing the existing, labor intensive, time-consuming, manual process. Presently, the project timeline calls for the application to be operational on or before April 30, 2013.

OPCLPR is continuing the process of updating the courseware used for the FY2013 Department-wide privacy awareness training. Part of this annual update calls for the consolidation of a number of annual training requirements to achieve more effective and timely training results. In addition, this year's training will include a discussion of the interdependencies between, privacy, civil liberties, records management, Paperwork Reduction Act, Freedom of Information Act and Section 508 compliance (the OPTR functional areas). This action is done to ensure the training reflects the most current statutory and regulatory guidance related to privacy. In addition, OPTR is developing privacy training tailored for human resources professionals that will be presented to Treasury's Office of Human Resources (OHR).

### **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 OMB and the other agencies required to report under this section.

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 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 filed with the Department. This information may include:

- Process and procedural issues, such as consent, collection, and appropriate notice;
- Non-Privacy Act of 1974 issues, such as Terrorist Watchlist Redress processing or identity theft mitigation; or
- 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:

- 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, 2005 (P.L. 108-447); 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;
- Privacy Impact Assessments (PIAs);
- 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;
- 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;
- 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 CFR 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 June 30, 2013, and will cover the period of March 1, 2013, through May 31, 2013. 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  
March 31, 2013

Reviews	
Type	Number
Privacy Threshold Analyses (PTAs)/Privacy Impact Assessments (PIAs)	37/42
OMB Circular A-130	6
System of Records Notice (SORN) Compilation/SOR Routine Use	1/8
Computer Matching Agreements (CMAs)	4
Section 508 Internet/Intranet Scan	8
Treasury 508 Quarterly 508 Scan	1
Social Security Number (SSN) Elimination or Redaction on Forms	58

Complaints		Dispositions	
Type	Number		
PRIVACY	0		
CIVIL LIBERTIES			
Allegation that civil enforcement action violated privacy and 1st and 5th Amendment Rights.	1	Complaint pending in District Court.	