



**The Department of the Treasury
FY 2012 Q3 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
March 1, 2012 – May 31, 2012**

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.

2. Department Actions

During the third quarter of FY 2012, the Treasury's Office of Privacy, Transparency, and Records (OPTR) made a number of significant accomplishments in developing and implementing privacy and civil liberties protections in the Department.

This year's Records and Information Management Month (RIMM) event at the Department of the Treasury was another resounding success. Approximately 600 employees representing more than a dozen agencies participated in one or more of the 28 sessions presented during the month-long event. Among the highlights of this year's RIMM was a presentation by the Archivist of the United States, which opened the event and was its most heavily-attended session. During his briefing, the Archivist emphasized the importance of the proper retention and disposition of records, especially in light of the huge volumes of documents the National Archives and Records Administration processes each year. The second most heavily attended event at the conference was a very informative international privacy panel discussion that included representatives from the Department of Commerce and the Department of Homeland Security and focused on privacy issues in the U. S. and the European Union.

The Office of Privacy and Civil Liberties (OPCL) arranged two of the RIMM events. First, for the second year in a row, OPCL implemented testing for prospective privacy professionals seeking certification from the International Association of Privacy Professionals. Fourteen prospective privacy professionals, representing various Treasury

bureaus as well as a handful of other federal agencies, sat for the exams in April. The Certified Information Privacy Professional foundation exam, along with all of the module exams (e.g., government, IT, and European Union) were offered during this examination session. Seven individuals registered for the foundation exam, four took the government module, four took the IT module, two took the U.S. corporate module, and one took the European Union data protection module. Once certified, individuals are required to complete a minimum number of continuing education units each year to maintain their knowledge and expertise. Treasury's support of this certification process assists the Department in remaining compliant with federal privacy laws and ensures that its privacy professionals remain informed of the latest privacy issues and trends.

OPCL's other RIMM event was an application software demonstration presented by the Internal Revenue Service (IRS). The Privacy Impact Assessment (PIA) Management System (PIAMS) is a software application that allows the IRS to fully automate the PIA process during the drafting, review, and approval processes. The Deputy Assistant Secretary for Privacy, Transparency, and Records felt this application has great potential. Therefore, she plans to discuss with the Executive Steering Committee the positive impact PIAMS can have on privacy compliance at Treasury. She will recommend that Treasury use PIAMS as an enterprise-wide solution that all of Treasury's bureaus should implement.

In addition, Treasury continues to play a leadership role in privacy and civil liberties through its active involvement in the Information Sharing Environment (ISE). The Director of OPCL serves as the chairperson of the Compliance Review Working Group, a working group of the ISE's Privacy and Civil Liberties Subcommittee. In the role of chairperson, the Director of OPCL is guiding the development of a privacy and civil liberties checklist. Treasury's Office of Intelligence and Analysis agreed to act as the pilot program for implementing a proposed ISE privacy and civil liberties compliance review checklist that may eventually be used by all federal agencies participating in the ISE. This checklist is intended to serve as a compilation of the privacy and civil liberties requirements and best practices derived from the Privacy Guidelines for the Information Sharing Environment.

The IRS continues to undertake proactive initiatives that promote and enhance sound privacy practices and protect taxpayer information. For example, the IRS has assembled data on the number and type of unauthorized access (UNAX) violations reported from a variety of internal sources, including data maintained by the Treasury Inspector General for Tax Administration (TIGTA). It also has applied a series of analytic techniques to this data and is distributing the results to key stakeholders indicating trends and other information to develop strategies to prevent UNAX incidents. The IRS continues to receive positive feedback on the UNAX Mandatory Briefing given to its personnel in FY 2011.

Finally, Treasury's mandatory privacy awareness training, A Culture of Privacy, has been updated for 2012. The courseware was revised to include more guidance on how employees must protect the PII that they handle while carrying out Treasury's mission. In addition, more information was added to the courseware to emphasize the importance of properly reporting potential and confirmed PII breaches. A Culture of Privacy Awareness for Executives is now available for senior leadership within the Department. This PowerPoint

presentation is designed to provide the privacy fundamentals in a manner that is tailored to the knowledge Treasury executives need to perform their functions.

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 the Office of Management and Budget (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 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 of 2005 (P.L. 108-447); OMB Circular A-130, Appendix 1; and OMB Memo M-07-16. Examples include:

- Privacy Threshold Analyses – review of an IT system’s use of data to determine whether a PIA is required;
- 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 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 September 30, 2012, and will cover the period of June 1, 2012, through August 31, 2012. 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
 May 31, 2012

Reviews	
Type	Number
Privacy Threshold Analyses (PTAs)/Privacy Impact Assessments (PIAs)	11 & 36
Elimination/Reduction of SSNs on IRS Forms	23
System of Records (SOR) Routine Use	7
OMB Exhibits 300 Process	1
Section 508 Internet & Intranet Website Scans	1 and 1
5 CFR 1320, Information Collection	3
SOR Notices	1
Privacy Act Exemption Regulations	1

Advice and Response		
Type	Number	Response
Monthly Scan of Internet for Violations and Remediation	1	No Response Required
SharePoint Project Orientation and Protecting PII	1	No Response Required

Complaints		Dispositions
Type	Number	
PRIVACY	0	
CIVIL LIBERTIES	0	