



**The Department of the Treasury
Report Pursuant to Section 803 of the
Implementing Recommendations of the 9/11
Commission Act of 2007**

December 31, 2011

Introduction

The Treasury Department is committed to protecting the privacy and civil liberties of individuals, including information privacy, policy development and program execution. In recognition of the threat to individual privacy resulting from the global expansion of information technology (IT), the Department is determined to continue its robust oversight of the personally identifiable information entrusted to our care.

Department Actions

On November 20, 2011, the new director assumed the duties and responsibilities of leadership for the Office of Privacy and Civil Liberties (OPCL). Prior to coming to the Department of the Treasury, he served at the Department of Homeland Security (DHS) as a senior analyst with the Office of Civil Rights and Civil Liberties. Before being selected to fill the position of director, he had been on a detail assignment in the same position. In articulating his vision for OPCL, the new director has emphasized the need to focus on enhancing the civil liberties function through increased training and awareness initiatives. Furthermore, he brings a considerable amount of expertise concerning the information sharing environment (ISE), and has also made this one of his top priorities. In that regard, he has already begun several projects which have a direct impact on Treasury's participation in the ISE.

The new Director enhanced the directive outlining the privacy and civil liberties protections the Department will implement as a participant in the ISE, and will submit the directive for signature and publication during the second quarter of FY 2012. In addition, he has drafted standard language for inclusion in the Department's information sharing agreements with entities outside of Treasury which specifically details the extent and parameters for such exchanges where PII is present.

During the first week of October, the Office of Privacy and Civil Liberties (OPCL) completed the Senior Agency Official for Privacy (SAOP) Section of the FY2011 Annual FISMA Report. As was the case in previous quarterly reporting for FISMA, Treasury has 100 percent of the privacy impact assessments (PIAs) and systems of records notices (SORNs) completed and published for those systems known to require such documentation.

Treasury and its bureaus continue to make strides in the elimination and/or reduction of SSN use. The IRS has started to issue taxpayer notices that include a two dimensional (2D) barcode to mask the social security number (SSN). Beginning in July 2011, the 2D barcode was printed and SSNs masked on 13 types of non-payment notices estimated to impact 11 million taxpayers annually. Subsequent phases of the 2D bar-coding initiative will focus on masking additional non-payment notices. An additional 11.6 million notices will receive the barcode/masked SSNs in FY 2012. Early results from the pilot show increased efficiencies through the use of barcode technology instead of manual input, primarily due to decreased error rates for notices processed through the Accounts Management Services System. As a result of this IRS initiative, protection of PII is significantly enhanced, and the Service continues to explore other opportunities to leverage this achievement.

The Department also has been very proactive in the formulation and development of policy guidance for the use of third-party websites and applications (social media). In response to a GAO audit, the Department has begun an effort to ensure that its bureaus use the standardized terms of service agreements with providers and avoid the collection of personally identifiable information (PII) on third-party websites. When PII is provided by a user, the Department will protect the individual's information to mitigate the risk of PII incident. Treasury's goal in undertaking this effort is to promote agency compliance with the OMB guidance contained in M-10-23, Guidance for Agency Use of Third-Party Websites and Applications.

Finally, OPCL has undertaken a review of the privacy policies on the bureaus' publicly facing websites. Because of the diverse missions among the various bureaus, differences exist in their respective privacy policies on their publicly facing websites. In an effort to bring a measure of standardization to these statements, OPCL has drafted language for privacy policy statements, along with a recommendation that each bureau consider adopting at least portions of the drafted language to promote some uniformity and ensure that major privacy issues are addressed.

Quarterly Report

The Department uses a standard reporting framework and instructions tailored to its mission and functions to address Section 803 reporting requirements. This framework has been coordinated with the Office of Management and Budget (OMB), as well as with the other agencies required to report under this section.

The attached December 31, 2011 report consolidates all privacy and civil liberties activities of the Treasury Department, including data on the reviews conducted, reference to the advisory guidance delivered, and information about written complaints received and processed.

Types of Complaints

Privacy Complaint: A written allegation of harm or violation of personal or information privacy filed with the Treasury Department. This information may include:

1. Process and procedural issues, such as consent, collection, and appropriate notice;
2. Non-Privacy Act of 1974 issues, such as Terrorist Watchlist Redress process or identity theft mitigation; or
3. Privacy Act of 1974 issues.

Civil Liberties Complaint: A written allegation of harm or violation of the constitutional rights afforded individuals filed with the Treasury Department. Types of civil liberties complaints include, but are not limited to:

1. First Amendment (Freedom of speech, religion, assembly, and association);
2. Fourth Amendment (Protection against unreasonable search and seizure); and
3. Fifth Amendment or Fourteenth Amendment, § 1 (Due process and equal protection).

Reporting Categories

Reviews: Reviews include Treasury Department 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:

1. Privacy Threshold Analyses – review of an IT system’s use of data to determine if a Privacy Impact Assessment is required;
2. Privacy Impact Assessments;
3. OMB Memo 07-16 issues, including reviewing records to maintain the minimum volume necessary for the proper performance of an agency function, Social Security Number use reduction efforts, or initiatives related to combating identity theft;
4. OMB Circular A-130 issues, including System of Records Notices, 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/or Computer Matching Programs;
5. Persistent Tracking Technology features used on a website;
6. Achievement of machine readability, which ensures that website users are automatically alerted about whether site privacy practices match their personal privacy preferences;
7. Reviews under 5 CFR part 1320 (collection of information/Paperwork Reduction Act);
8. Information Sharing Environment policies and system reviews;
9. Reviews related to the OMB Circular A-11, Exhibit 300 process.

Advice: Advice includes written policies, procedures, guidance, or interpretations of privacy requirements for circumstances or business processes that respond to privacy or civil liberties issues or concerns.

Response to Advice: Specific action taken in response to *Advice* given by the Treasury Department. Examples of *Response to Advice* include the issuance of a regulation, order, or directive; an interpretation or other guidance issued as a result of the *Advice*, or the reaching of an agreement related to the *Advice*; and issuance of any training programs or other procedures that enhance understanding of the issue that precipitated the request for *Advice*.

Disposition of Complaints: An action taken by the Treasury Department in response to a privacy or civil liberties complaint. After a complaint is reported, the Treasury 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 current report covers data collection from September 1, 2011 through November 30, 2011. The next quarterly report is due March 31, 2012, and will cover the period of December 1, 2011 through February 28, 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

December 31, 2011

Reviews	
Type	Number
Privacy Threshold Analyses (PTAs)/	19
Privacy Impact Assessments (PIAs)	41
5 CFR 1320, Information Collection	138
OMB A-130, Record Management	7
System of Records Notices/Routine Use	22/9
Computer Matching Agreements	2
OMB A-11, Exhibit 300 Process	164
Tech Stat System	1

Advice and Response		
Type	Number	Response
Request for Guidance on Records Management	1	Published Policy Guidance
Request for Guidance on Contractor Privacy Awareness Training	1	Provided Comments for FAR
Request for Policy Guidance on Third-Party Websites & Applications	1	Prepared Policy Guidance

Complaints		Dispositions
Type	Number	
PRIVACY		
Unauthorized Access Granted to Another User's Home Folder	1	Investigation Determined No Third-Party Access Occurred.
Alleged Unauthorized Disclosure of Personally Identifiable Information	1	Incident Currently Under Investigation
CIVIL LIBERTIES		
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