



**The Department of the Treasury
Semiannual 2021 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, 2021 to March 31, 2022**

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 2007,¹ 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

¹ 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, 2021 through March 31, 2022.

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 (PCLTAs), 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;
- b) PCLIA as required by the E-Government Act of 2002;²
- c) System of Records Notices (SORNs), as required by the Privacy Act, and any associated Final Rules for Privacy Act exemptions;³
- d) Privacy Act Statements (PASs), as required by the Privacy Act,⁴ to provide notice to individuals at the point of collection;
- e) Computer Matching Agreements (CMAs), as required by the Privacy Act;⁵
- f) Data Mining Reports, as required by Section 804 of the 9/11 Commission Act of 2007;⁶
- g) Privacy Compliance Reviews (PCRs);
- h) Privacy reviews of IT and program budget requests, including Office of Management

² 44 U.S.C. § 3501 note.

³ 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).

⁴ 5 U.S.C. § 552a(e)(3).

⁵ 5 U.S.C. § 552a(o)-(u).

⁶ 42 U.S.C. § 2000ee-3.

- and Budget (OMB) 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 92 new, updated, or renewed PCLIA's. The following are examples of a new PCLIA's for which two bureaus provided summaries:

- The Alcohol and Tobacco Tax and Trade Bureau (TTB) completed 8 PIA(s)/PCLIA(s) during this reporting period for its Tax Major Application (TMA) system and applications and its Regulatory Major Application (RMA) system and applications, as part of continuous monitoring annual testing.
- The Internal Revenue Service (IRS) completed 76 PIA(s)/PCLIA(s) during the reporting period. Among them are: PCLIA for Scanning as a Service (SCaaS) Front End-Ripcord. SCaaS allows the IRS to use managed services from a contractor to digitize or digitalize paper records and allow the electronic file to serve as the official records. This will allow the IRS to move from a paper environment to an electronic record environment in accordance with OMB guidance. The IRS also completed a PCLIA for Microsoft 365 Government Level 5 (M365 G5). M365 G5 is a Software-as-a-Service (SaaS) product that acts as a platform to combine familiar Microsoft Office Productivity suite with online versions of Microsoft's next-generation communications and collaboration services. M365 allows the IRS to simplify administration and improve functionality for end users. The components of M365 G5 include, but are not limited to: Exchange Online (EXO) – replacing on-premises Exchange; One Drive for Business (ODB) – providing an alternative file sharing service; SharePoint Online (SPO) – replacing on-premises SharePoint 2013; Teams - replacing Skype; Project Online (PJO) – providing a new service for project management.

All published Treasury PCLIA's are available on Treasury's Privacy website:
<https://home.treasury.gov/footer/privacy-act/privacy-and-civil-liberties-impact-assessments>.

4. System of Records Notices (SORN)

During the reporting period, Treasury did not publish or update a SORN. 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-notices-sorn>.

5. Computer Matching Programs (CMAs)

Treasury participates in 5 reestablished, 6 renewed, and 2 new computer matching programs 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 the following CMAs renewals.

- Medicare Part D -Low Income Subsidy Program computer matching agreement sets forth the terms under which the IRS will, as authorized by the Internal Revenue Code (IRC) §6103(l)(7), disclose to the Social Security Administration certain return information for the purpose of verifying eligibility for the Medicare Part D Low Income Subsidy (LIS) and determining the correct subsidy percentage of benefits provided under §1860D-14 of the Social Security Act (42 U.S.C. §1395w-114). The agreement is available at [85 FR 5271](#) (November 26, 2021).
- 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 IRC authorizes the IRS to disclose certain items of return information to the 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](#) (October 4, 2021).
- Income-Related Adjustment to Medicare Premiums (Medicare Part B) Computer Matching Agreement (CMA) between the IRS and the SSA sets forth the terms under which IRS will disclose to SSA certain return information as authorized by the IRC 6103(l)(20) to carry out Medicare Part B premium subsidy adjustments and Medicare prescription drug coverage premium increases under sections 1839(i) and 1860D-13(a)(7) of the Act (42 U.S.C. §§ 1395r(i) and 1395w 113(a)(7)), as enacted by section 811 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; Pub.

L. No. 108-173) and section 3308 of the Affordable Care Act of 2010 (Pub. L. No. 111-148). The agreement is available at [85 FR 5271](#) (January 29, 2020).

- Supplemental Security Income computer matching agreement sets forth the terms, conditions, safeguards, and procedures under which the, Department of the Treasury Bureau of the Fiscal Service (Fiscal Service) will disclose savings security data (as described in section VI.D) to the SSA. SSA will use the data to determine continued eligibility for Supplemental Security Income (SSI) applicants and recipients, or the correct benefit amount for recipients and deems who did not report or incorrectly reported ownership of savings securities. The agreement is available at [86 FR 20781](#) (April 21, 2021).
- The Do Not Pay Program CMA establishes the conditions, safeguards, and procedures under which the Department of Veterans Affairs, Financial Services Center, Commercial Operations Division (VA) will conduct a computer matching program with the U.S. Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service), Do Not Pay (DNP) Business Center, to provide identifying information through the Treasury's Working System. The information will be used to determine whether an individual or entity is eligible to receive federal payments, contract awards, or other benefits, including reducing duplicate payments to vendors and beneficiaries, verifying that beneficiaries submitting claims are not deceased, collecting debt owed to federal or state governments, and suspending or revoking payments as needed. The matching program is conducted pursuant to the Privacy Act - 5 U.S.C. § 552a, the Payment Integrity Information Act (PIIA) - 31 U.S.C. § 3354 and OMB Memorandum M-18-20, to comply with the Do Not Pay Initiative. The VA is designated as the recipient agency, the agency receiving the records for use in this matching program, as defined by the Privacy Act, 5 U.S.C. § 552a(a)(9). As the recipient agency, the VA is responsible for publishing the Federal Register notice required by 5 U.S.C. § 552a(e)(12). Treasury is designated as the source agency, the agency disclosing its records, for use in this matching program, as defined by 5 U.S.C. § 552a(a)(11).” The agreement is available at [86 FR 38531 \(July 21,2021\)](#)
- The Do Not Pay Program assists the Small Business Administration (SBA) in the identification of potentially improper payments. Information is disclosed pursuant to this matching program only for the purpose of, and to the extent necessary in, assisting SBA in its determination with respect to an applicant for assistance under the SBA Programs. The agreement is available at [86 FR 14798 \(March 18, 2021\)](#).

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 PCLIA, 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) as a unique identifier for identity verification purposes related to law enforcement, intelligence, and/or security background investigations; (2) when required by external entities to perform a function for or on behalf of Treasury; (3) when collection is expressly required by statute or regulation; (4) for statistical and other research purposes; (5) to ensure the delivery of government benefits, privileges, and services; and (6) when there are no reasonable, alternative means for meeting business requirements. 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 in one or more of the six circumstances discussed above.

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, as requested. 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 laws 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, 2021 through March 31, 2022. 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, 2021 through March 31, 2022

Reviews	
Type	Number
Privacy (and Civil Liberties) Threshold Analysis (PTAs/PCLTAs)	71
Privacy (and Civil Liberties) Impact Assessments (PIAs/PCLIAAs)	92
System of Records (SOR) Routine Use/ SOR Notices (SORNs)	0
Computer Matching Agreements (CMAs)	13
Section 508 International Website scans	Internet: 96% Intranet: 41%

Advice and Response		
Type	Number	Response
Provide advice and recommendation regarding proper handling of PII/limiting access based on need to know	12	10- Bureau of Engraving and Printing (BEP) & Treasury Office of Inspector General (TOIG) Accepted 2-IRS Interim guidance issued
Provide advice and/or recommendation on relevance and necessity of data collection/ingestion	5	4-BEP In Process 1-TOIG Accepted
Provided guidance to system owners or personnel on necessary privacy compliance documentation or appropriate NIST risk rating.	17	15-BEP & 1-TOIG Accepted 1-IRS Interim guidance issued
Provide advice and recommendation on internal/external sharing of PII (including Privacy Act info)	9	6-BEP In Process 3-TOIG Accepted
Provide advice and recommendation on web privacy policies/privacy notices	3	2-BEP, Treasury Inspector General for Tax Administration (TIGTA) & TOIG Accepted

Complaints		
Type of claim or assertion in complaint	Number of complaints	Disposition
PRIVACY: Unauthorized disclosure (internal/ external)	Internal: 0 External: 1	1-TOIG Open
PRIVACY: Collection	2	2-TOIG Closed (General Information- not an OG matter)
PRIVACY: (Other: Describe)	2	2-TOIG Closed and referred to appropriate department/bureau
CIVIL LIBERTIES: Violation 1 st , 4 th , 5 th , 6 th , 14 th and/or 16 th Amendment rights	52	3- TOIG Closed (informed complainant to contact appropriate agency) 33-IRS Pending final decision 16-IRS Closed
CIVIL LIBERTIES: (Other: Describe)	2	2-TOIG Closed (general information – not an OIG Matter)