



DEPARTMENT OF THE TREASURY
WASHINGTON

ASSISTANT SECRETARY

JUN 28 1999

Mr. Jacob J. Lew, Director
Office of Management and Budget
Attention: Docket Library
Rm 10201 NEOB
725 17th Street, NW.
Washington, DC 20503

Dear Mr. Lew:

In accordance with your memorandum of January 7, 1999, subject: Instructions on complying with President's Memorandum of May 14, 1998, "Privacy and Personal Information in Federal Records," the Department of the Treasury is submitting its report.

Questions about the report may be directed to Alana Johnson, Departmental Disclosure Officer, on 622-0876. I may be reached on 622-0410.

Sincerely,

for Nancy Killefer
Assistant Secretary for Management
and Chief Financial Officer

Enclosure

Department of the Treasury

Privacy Act Report to the President

Office of the Assistant Secretary
(Management) and CFO

June 1999

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Treasury's Report on Review of Privacy Act Systems of Records

I. Executive Summary

On May 14, 1998, the President instructed all executive branch departments and agencies to conduct comprehensive reviews of their Privacy Act systems of records. The reviews were to be done according to instructions from OMB. At Treasury, this review encompassed headquarters offices (Departmental Offices) and the 11 bureaus, including regional and field offices. The review had the full support of the Secretary and Deputy Secretary (see memo from Lawrence H. Summers to Treasury officials at Attachment A).

We looked at whether new technology or new or changed functions of program offices affected any existing system of records. All offices were asked about the accuracy, completeness, relevance and timeliness of the information being kept, and also whether records had been combined in an inappropriate manner or if subsets of records within a system had become distinct from other records maintained in the system.

The system safeguards were reviewed to determine if they are appropriate and current, protect the Privacy Act records from unauthorized access, and properly protect the integrity of the records. Protection and control of sensitive but unclassified (SBU) records are in accordance with TD P 71-10, Department of the Treasury Security Manual.

Routine uses were examined to determine if they meet the "compatibility" standard and if they are justified and necessary. We examined the purpose or function of each system of records to determine whether changes had occurred which might result in published routine uses no longer making sense, requiring amendments or deletions in those routine uses.

System managers were asked if they keep accountings of disclosure and whether those accountings are made available when requested by the subject of the record.

System of records managers reported on their information sharing practices with State, local and tribal governments. They were queried about the type of information shared and how often it occurred; whether there were rules regarding the retention, redisclosure, and destruction of Treasury-supplied information by the recipients of that information; the appropriateness of collecting and sharing the information; whether changes in technology, function, or organization at the Federal, State, local, or tribal level affected the need for sharing the information; and if adequate confidentiality and security safeguards were in place. System managers were asked if potential for changes to their information sharing practices had been identified and about the potential effect on the other participants. Forms 1 and 2 (Attachments B and C) were used by system managers to review existing systems of records.

The Department reviewed its operations to identify any *de facto* systems of records for which no system of records notice has been published. As part of this review, each office head within the Department was asked to report the following regarding any manual filing system or electronic database that contains information on people used by any office employee (see Attachment D):

1. Name of file system or database.
2. Type of information collected (i.e., health/medical, investigative, education/training; public assistance; social security number; retirement; financial; credit; military history; personal residence; demographic; property; occupational or licensing requirements; law enforcement; business information; supervisory notes; personal notes and reminders; Internet records; other).
3. From whom is data obtained?
4. How is the data obtained?
5. Do individuals whose data is collected know about the existence of the office file or database?
6. How are the individuals notified that information about them is in the filing system or database?
7. Does the office ensure that personal information maintained is complete and accurate? Is the information compared with other Federal records? Does the subject validate the information, or do others? Will the information collected be used to affect an individual in any way (i.e., eligibility for a benefit, good or bad performance appraisal, incarceration, repayment of debt, etc.)?
8. What personal identifiers are used to access the records in the filing system or database?
9. What other offices have access to the information in the files or database?
10. What other Federal, state, local, or international agencies have access to the information in the files or database?
11. Do other organizations have access (i.e., educational institutions, banks, physicians, employers, credit bureaus, etc.)?
12. In what form is the information released to outside entities?

13. How are requests accepted from entities outside Treasury for the release of information from the filing system or database?
14. What controls are in place to protect the information maintained in the filing system or database against unauthorized access?

Finally, prior to the commencement of the review effort prompted by the President's memorandum, Treasury, as a result of ongoing evaluations of its systems of records, was in the process of publishing notices of new or altered systems for records in the Departmental Offices (including the Treasury Inspector General for Tax Administration), the Internal Revenue Service, and Office of the Comptroller of the Currency.

Questions about this report may be directed to Alana Johnson, Treasury's Departmental Disclosure Officer, on 202/622-0876 (alana.johnson@do.treas.gov).

II. Report of Specific Findings as Required by OMB

Below are the Department of the Treasury's summarized findings to the six items requested by OMB:

- a. A certification by the Agency's Chief Information Officer and the Agency's Senior Official for Privacy Policy that the review was conducted.

Privacy Act Review Certification

I certify that the required reviews have been conducted throughout the Department of the Treasury in accordance with OMB instructions of January 7, 1999.

Date: 6/25/99 

 James J. Flyzik
 Chief Information Officer

Date: 6/25/99 
 for _____
 Nancy Killefer
 Senior Official for Privacy Policy

- b. A summary of actions taken as a result of the review, including citations to the *Federal Register* notices of any issuances of, or revisions to, systems of records notices.

In accordance with OMB Circular A-130, section 3a.(8), minor changes to the Department's Privacy Act systems of records were published on December 17, 1998, beginning at 63 FR 69716. A significant improvement was the inclusion of a "purpose(s)" statement in 80 of the Internal Revenue Service's systems of records.

As an aid to Treasury employees, the Department's Privacy Act Handbook was recently revised. It is posted on the Department's web page at <http://www.ustreas.gov/foia/tdp25-04.pdf>.

c. A summary of future actions that the agency plans to take as a result of the review to assure sound privacy practices across the agency, and a schedule of when those actions will be completed.

The Department projects it will publish up to 29 new systems of records and delete 14 as a result of this review. We plan to consolidate several systems of records common to all of the bureaus into Treasury-wide system of records notices, which will result in deleting certain notices issued by each covered bureau. Each of the bureaus will have systems of records to which minor changes will be made, including adding "purpose(s)" statements where needed.

Other notices will be published which have been under consideration prior to the issuance of OMB instructions on January 7, 1999. The Office of the Treasury Inspector General for Tax Administration (TIGTA) was established on January 18, 1999, to implement requirements of the IRS Restructuring and Reform Act of 1998. The Act transferred IRS Inspection functions to TIGTA, resulting in the transfer of Inspection's systems of records.

The U.S. Mint indicated it will undergo a reorganization this summer; consequently, minor changes reflecting the reorganization will be made.

It is anticipated that the proposed new systems and alterations to existing system notices will be completed and published within the next 12 months.

d. A summary of the agency's review of its routine uses, including, in particular, the extent to which the agency found that its routine uses remain justified and compatible with the purpose for which the information was collected.

The Department's review of its routine uses found that they are justified and are compatible with the purposes for which the information is collected. Two bureaus will add to or revise existing routine uses. As currently written, certain routine uses may be construed as overly broad or too vague; these will be amended to more accurately describe the routine use.

e. A description of the agency's major information sharing practices with State, local and tribal governments, including in particular whether the review identified potential changes to sharing practices that will undergo further review (and if so, a description of such potential changes).

The major information sharing practice identified is the sharing of information pursuant to a computer matching program administered by the Internal Revenue Service.

The IRS is required, upon written request, to disclose current tax return information from returns with respect to unearned income from IRS files to any State or local agency

administering a program which falls within IRC 6103(l)(7). The notice of this match was last published on August 8, 1998, at 63 FR 42908.

The State agencies which generally participate in this computer matching program are:

1. Alabama Department of Human Resources
2. Alabama Medicaid Agency
3. Alaska Department of Health and Social Services
4. Arizona Department of Economic Security
5. Arizona Health Care Cost Containment System
6. Arkansas Department of Human Services
7. California Department of Social Services
8. Colorado Department of Human Services
9. Connecticut Department of Social Services
10. Delaware Health and Social Services
11. District of Columbia Department of Human Services
12. Florida Department of Children and Families
13. Georgia Department of Human Resources
14. Guam Department of Public Health and Social Services
15. Hawaii Department of Human Services
16. Idaho Department of Health and Welfare
17. Illinois Department of Human Services
18. Indiana Family and Social Services Administration
19. Iowa Department of Human Services
20. Kansas Department of Social and Rehabilitative Services
21. Kentucky Cabinet for Families and Children
22. Louisiana Department of Health and Hospitals
23. Louisiana Department of Social Services
24. Maine Department of Human Services
25. Maryland Department of Human Resources
26. Massachusetts Department of Transitional Assistance
27. Massachusetts Division of Medical Assistance
28. Michigan Family Independence Agency
29. Minnesota Department of Human Services
30. Mississippi Division of Medicaid
31. Mississippi Department of Human Services
32. Missouri Department of Social Services
33. Montana Department of Public Health and Human Services
34. Nebraska Department of Health and Human Services
35. Nevada Department of Human Resources
36. New Hampshire Department of Health and Human Services
37. New Jersey Department of Human Services
38. New Mexico Human Services Department
39. New York Office of Temporary and Disability Assistance
40. North Carolina Department of Health and Human Services

41. North Dakota Department of Human Services
42. Ohio Department of Human Services
43. Oklahoma Department of Human Services
44. Oregon Department of Human Resources
45. Pennsylvania Department of Public Welfare
46. Puerto Rico Department of the Family
47. Puerto Rico Department of Health
48. Rhode Island Department of Human Services
49. South Carolina Department of Social Services
50. South Dakota Department of Social Services
51. Tennessee Department of Human Services
52. Texas Department of Human Services
53. Utah Department of Health
54. Utah Department of Workforce Services
55. Vermont Department of Social Welfare
56. Virgin Islands Bureau of Health Insurance and Medical Assistance
57. Virgin Islands Department of Human Services
58. Virginia Department of Social Services
59. Washington Department of Social and Health Services
60. West Virginia Department of Human Services
61. Wisconsin Department of Workforce Development
62. Wyoming Department of Family Services

The other information sharing practices occurring in each of the bureaus consist generally of law enforcement information being shared pursuant to 5 U.S.C. 552a(b)(7), or disclosures pertaining to personnel information pursuant to 5 U.S.C. 552a(b)(3). Each of these disclosures are generally on a case-by-case basis. Two of the bureaus do make disclosures of information under (b)(7) but only pursuant to agreements restricting the redisclosure of the information.

The Department has not identified any needed changes to its information sharing practices.

f. Any subjects on which the agency would like further OMB guidance on the Privacy Act, and any recommendations regarding such guidance.

Treasury recommends the following:

1. Regarding computer matching programs, we suggest more guidance on requesting a waiver of the OMB review period; specifically, how and within what time frame OMB will give approval or disapproval of the waiver. Also, provide a definition of "compelling need."
2. When publishing notices or rules, it would be helpful if OMB set forth more clearly what constitutes "transmittal" documents when making a report to OMB and Congress.

3. Define the tolerance for occasional retrievals and disclosure permitted under the decision in Henke v. U.S. Department of Commerce, 83 F.3d 1445 (D.C. Cir. 1996).
4. With respect to Federal employees, provide further guidance on whether work assignment and property control records, including those maintained by libraries, are subject to the Act.

III. Overview of Bureau Reports

Below are highlights of each bureau's findings. Further details on any specific item are available from the Departmental Disclosure Office.

Departmental Offices

Four new sets of records identified.

FOIA/Privacy Act request records and Federal advisory committee records will be published as Department-wide systems of records.

Personnel security records are under evaluation for possible publication as a Department-wide system of records.

As a result of the establishment of the Treasury Inspector General for Tax Administration (TIGTA), system of record notices will be published reflecting the transfer of records maintained by the Inspection function of the IRS. Also, one new system was identified by TIGTA.

Add "purpose(s)" to 15 DO notices.

Re-establish notice for emergency preparedness records (deleted 11/95) as a Treasury-wide system of records.

Bureau of Alcohol, Tobacco, and Firearms

No new systems; minor changes to existing notices.

Major information sharing is with State and local governments for law enforcement purposes.

Continuing its analysis of ATF's comprehensive inventory of automated systems prepared for Y2K to determine possible new Privacy Act systems of records.

Bureau of Engraving and Printing

No new systems; revisions to two existing systems will be prepared by 8/99.

Information sharing is only with law enforcement entities for law enforcement purposes.

Office of the Comptroller of the Currency

Will add 5 to 10 systems of records covering supervisory regulatory responsibilities and records of an administrative nature, and revise 6 of 11 existing notices.

Routine uses are justified, but some need to be amended.

Information is shared with State governments pursuant to routine uses and, in some cases, information sharing agreements. With the exception of employee salary and benefit information, information is not generally provided to local governments. No information is shared with tribal governments.

Will increase efforts to educate OCC employees regarding the Privacy Act.

United States Customs Service

Six new systems identified; 3 others in the exploratory stage, and 9 to be deleted.

Others to be amended due to organizational or technological changes.

One new proposed routine use for disclosure to National Treasury Employees Union. Information sharing with State, local or tribal governments is for law enforcement purposes only.

Federal Law Enforcement Training Center

No new systems of records; "purpose(s)" to be added to existing system notices.

Will issue new procedures for accounting for disclosures.

Financial Management Service

One new system of records identified; notice is now being prepared for publication.

Minor changes needed to one existing system.

Under the Debt Collection Improvement Act of 1996, information is shared, primarily through the Department of Health & Human Services, with State governments pertaining to offsets made to collect child support payments.

Internal Revenue Service

Two new systems of records will be added; 11 existing systems will be consolidated into 7. Others will be amended, including routine uses and adding "purpose(s)" statements to several.

Four systems will be deleted.

Major information sharing practices are conducted primarily through computer matching programs for the purpose of preventing or reducing fraud and abuse in certain Federally assisted benefit programs and to facilitate the settlement of government claims.

United States Mint

Minor changes to system notices will be published late 1999 as a result of a reorganization and move.

Personnel security investigative records and security clearance information is shared with State and local governments.

Bureau of the Public Debt

Identified 2 sets of records for which a notice should be published; identified minor changes needed to 6 systems of records, including adding "purpose(s)" statements to 3.

Information sharing with State, local and tribal governments is for law enforcement purposes as permitted by routine uses.

United States Secret Service

Establish 4 new systems of records; add "purpose(s)" statements to existing notices and make other minor changes.

Information sharing with State, local and tribal governments is for law enforcement purposes.

Office of Thrift Supervision

No new systems; 2 existing systems will be revised and 1 will be deleted.


No information sharing with State, local or tribal governments.



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

February 22, 1999

MEMORANDUM FOR UNDER SECRETARIES
GENERAL COUNSEL
ASSISTANT SECRETARIES
TREASURER
INSPECTOR GENERAL
INSPECTOR GENERAL FOR TAX ADMINISTRATION
HEADS OF BUREAUS

FROM: Lawrence H. Summers 
SUBJECT: President's Memorandum of May 14, 1998, "Privacy and Personal Information in Federal Records"

On May 14, 1998, the President directed heads of executive departments and agencies to ensure that their use of information technologies sustain, and not erode, existing legal protections relating to agency use, collection, and disclosure of personal information. A copy of the President's memorandum has been attached. OMB was directed to issue instructions to agencies on how to conduct a thorough review of their Privacy Act systems of records, and those instructions were issued on January 7, 1999.

The Departmental Disclosure Office (DDO) is directing this review and reporting effort for Treasury, which will encompass all functional areas throughout the Department. All Departmental Offices, as well as each bureau Disclosure Officer, will receive reporting instructions and guidance from the DDO. DDO will collect the results of all reviews and will submit one report representing Treasury to OMB.

The Secretary and I fully support the efforts of the Administration to protect the privacy of personal information. Please ensure compliance with the President's memorandum by giving the necessary priority to this review and reporting process within your organization or bureau.

Attachment

FORM 1

**(To be completed by the
PA system manager)**

Compliance Review of an Existing Privacy Act System of Records

Name of System: _____

Name of System Manager: _____

Review Date: _____ **Signature:** _____

A. Review the system of records for which you are a system manager and answer the following questions. Please circle **Yes** or **No**.

- | | | |
|------------|-----------|---|
| Yes | No | 1. Has the system of records been changed due to a change in technology, or new or different functions of the program office? |
| Yes | No | 2. Is the information maintained in the system of records out-of-date? |
| Yes | No | 3. Is the information maintained in the system relevant and necessary to accomplish an agency function? |
| Yes | No | 4. Are the safeguards to protect the information from unauthorized access, or to protect the integrity of the records, appropriate and current? |
| Yes | No | 5. Do each of the published routine uses meet the "compatibility" standard (i.e., the disclosure to a party outside the Department is for a purpose which is compatible with the purpose for which it was collected)? |
| Yes | No | 6. Has the purpose or the functions of the system of records changed so that the published routine uses no longer make sense? |
| Yes | No | 7. Are all the published routine uses still justified or necessary? |
| Yes | No | 8. Do any of the routine uses need to be amended or deleted? |
| Yes | No | 9. Are accountings of disclosure kept by the system manager? |
| Yes | No | 10. Are accountings of disclosure made available when requested by the subject of the record? |

FORM 1 (cont.)

- Yes No** 11. Are records in the system of records combined in an inappropriate manner? (See 2.e. on page 5 of OMB's instructions).
- Yes No** 12. Over the life of the system of records, have subsets of records within the system become distinct from other records maintained in the system?
- Yes No** 13. Has an exemption been published for this system of records?
- Yes No** 14. Does the existing notice contain a "Purpose(s)" section?

B. As a result of the above review, will the Privacy Act notice for this system of records be up-dated in order to be accurate and complete by any of the following:

- Yes No** 1. Adding or deleting categories of individuals, records, or authority for the system;
- Yes No** 2. Adding a "Purpose(s)" section or describing new purposes or functions;
- Yes No** 3. Amending or deleting routine uses;
- Yes No** 4. Up-dating the description of the safeguards.

C. As a result of the above review, does a new system of records need to be established because:

- Yes No** 1. Records are combined in an inappropriate manner?
- Yes No** 2. Subsets of records within the system have become distinct from other records maintained in the system?

D. As a result of the above review, is your office required to develop or revise procedures to:

- Yes No** 1. Ensure the records are not out-of-date;
- Yes No** 2. Ensure records are relevant and necessary to accomplish an agency function;
- Yes No** 3. Keep an accounting of disclosures;

Yes **No** 4. Make accounting of disclosure available to a requester.

FORM 2

(To be completed by the
PA system manager)

**INFORMATION SHARING PRACTICES WITH
STATE, LOCAL AND TRIBAL GOVERNMENTS**

Name of System: _____

Name of System Manager: _____

Review Date: _____ **Signature:** _____

This is an assessment of the information sharing practices of Privacy Act records with State, local and tribal governments pursuant to a routine use as permitted by 5 U.S.C. 552a(b)(3), and includes information shared with other governmental entities as part of a computer matching program. Please review each of the routine uses published in the Privacy Act notice and provide the following:

1. Is any information being shared with State, local and tribal governments? (If the answer to this question is "no," disregard rest of questions.)

Yes No

2. What type of information is being shared?

3. What is the frequency of that sharing?

4. What are the rules regarding the retention, re-disclosure, and destruction of Treasury-supplied information by the recipients of that information?

FORM 2

(To be completed by the
PA system manager)

**INFORMATION SHARING PRACTICES WITH
STATE, LOCAL AND TRIBAL GOVERNMENTS**

Name of System: _____

Name of System Manager: _____

Review Date: _____ **Signature:** _____

This is an assessment of the information sharing practices of Privacy Act records with State, local and tribal governments pursuant to a routine use as permitted by 5 U.S.C. 552a(b)(3), and includes information shared with other governmental entities as part of a computer matching program. Please review each of the routine uses published in the Privacy Act notice and provide the following:

1. Is any information being shared with State, local and tribal governments? (If the answer to this question is "no," disregard rest of questions.)

Yes No

2. What type of information is being shared?

3. What is the frequency of that sharing?

4. What are the rules regarding the retention, re-disclosure, and destruction of Treasury-supplied information by the recipients of that information?

FORM 2 (cont.)

- | | | |
|---|------------|-----------|
| 5. Is the collection of the information appropriate? | Yes | No |
| 6. Is the sharing of the information appropriate? | Yes | No |
| 7. Has the need for the sharing of the information become outdated because of changes in technology, function, or organization at the Federal, state, local, or tribal level? | Yes | No |
| 8. Are adequate confidentiality and security safeguards in place? | Yes | No |
| 9. What potential for change to the information sharing practices has been identified and what is the potential effect on the other participants? | | |

Form 3

(To be completed by
the Office Head)

**DEPARTMENT OF THE TREASURY
SURVEY OF INFORMATION SYSTEMS CONTAINING
RECORDS ABOUT INDIVIDUALS**

Note: If you are a system manager of an existing Privacy Act system of records, a notice for which has been properly published in the *Federal Register*, and have completed Form 1 and Form 2 of this review, this survey does not need to be completed for that published system of records.

Name of Office: _____

Name of Office Head: _____

Bureau: _____

Name of contact: _____

Phone number: _____

LAN or Email address: _____

Please provide the following information for any manual filing system or electronic database containing information on individuals used by any employee in your program office:

1. Full name or other identifier of the filing system or database. _____

2. What type(s) of information is collected and maintained in the filing system or database? Please check appropriate box(es).

- health/medical
- investigation
- education/training
- public assistance
- social security number
- retirement

- financial
- credit
- military history
- personal residence
- demographic (e.g., age, sex, race, etc.)
- property (e.g., real estate, personal, vehicles, etc.)
- occupational or licensing requirements (e.g., personnel pay, pilot certification, professional associations, etc.)
- law enforcement
- business information
- supervisory notes
- personal notes and reminders
- Internet records (URL, cookies, etc.)
- other (please specify) _____

3. From whom does your office obtain the data entered into the filing system or database?

- the subject individual
- from within your own agency
- other individuals
- other agencies
- other (please specify) _____

4. How does your office obtain the data entered into the filing system or database?

- paper correspondence/hard copy
- telephone or other verbal notification
- electronic format
- Email
- Internet
- other (please specify) _____

5. Are the individuals in the database aware of the existence of the filing system or database?

- Yes
- No

6. How are the individuals made aware that information pertaining to them is in your filing system or database?

- written notification
- verbal notification
- other (please specify) _____

7. Are steps taken to ensure that personal information maintained in your filing system or database is complete and accurate?

- Yes
- No

a. Do you compare the information with other Federal records?

Yes

No

b. Does the subject validate the information?

Yes

No

c. Do other parties validate the information?

Yes

No

d. Will the collection of the information be used to affect an individual in any way?
(eligibility for a benefit, good or bad performance appraisal, incarceration, repayment of debt, etc.)

Yes

No

8. What personal identifiers are used to access the records in this filing system or database?

name

social security number

date of birth

account number (e.g., Medicare, bank account, driver's license number, certificate number, etc.)

other (please specify) _____

9. What offices, other than your office, have access to the information in the filing system or database? Please identify by name and organizational code below.

a. _____

b. _____

c. _____

None

10. What other Federal, state, local or international agencies have access to the information in the filing system or database? Please identify by name below.

a. _____

b. _____

c. _____

None

11. Do other organizations have access to the information in the filing system or database?

educational institutions

private sector (e.g., banks, physicians, employers, credit bureaus, etc.)

other (please specify) _____

12. In what form is the information from the filing system or database released to outside entities?

hard copy

electronic format

verbally

cannot be released pursuant to _____

13. How does your office accept requests from entities outside Treasury for the release of information from the filing system or database?

- in person
- written request
- telephone
- electronically

14. What controls are in place to protect the information maintained in your filing system or database against unauthorized access?

- administrative safeguards
- technical safeguards
- procedural safeguards
- physical safeguards