

### § 1.34

7 of the Privacy Act of 1974 set forth at 5 U.S.C. 552a, note.)

#### § 1.34 Guardianship.

The parent or guardian of a minor or a person judicially determined to be incompetent must, in addition to establishing the identity of the minor or other person represented, establish parentage or guardianship by furnishing a copy of a birth certificate showing parentage or a court order establishing the guardianship and may thereafter, act on behalf of such individual. (See 5 U.S.C. 552a(h).)

#### § 1.35 Information forms.

(a) *Review of forms.* Except for forms developed and used by components, the Deputy Assistant Secretary for Privacy, Transparency, & Records must review all forms Treasury develops and uses to collect information from and about individuals. Component heads are responsible for reviewing forms used by their component to collect information from and about individuals.

(b) *Scope of review.* The responsible officers must review each form for the purpose of eliminating any requirement for information that is not relevant and necessary to carry out an agency function and to accomplish the following objectives:

(1) To ensure that Treasury does not collect information concerning religion, political beliefs or activities, association memberships, or the exercise of other First Amendment rights except as authorized in § 1.28(b)(2)(v);

(2) To ensure that the form on which information is collected (or a separate form that can be retained by the individual) makes clear what information the individual is required to disclose by law (and the statutory of other authority for that requirement), and what information requested is voluntary;

(3) To ensure that the form on which information is collected (or a separate form that can be retained by the individual) states clearly the principal purpose or purposes for which Treasury is collecting the information, and summarizes concisely the routine uses that will be made of the information;

(4) To ensure that the form on which information is collected (or a separate form that can be retained by the indi-

### 31 CFR Subtitle A (7-1-23 Edition)

vidual) clearly indicates to the individual the effect that not providing all, or part of the requested information will have on their rights, benefits, or privileges of; and

(5) To ensure that any form on which Treasury requests a Social Security number (SSN) (or a separate form that can be retained by the individual) clearly advises the individual of the statute or regulation requiring disclosure of the SSN or clearly advises the individual that disclosure is voluntary and that they will not be denied any right, benefit, or privilege if they refuse to voluntarily disclose it, and the uses that will be made of the SSN whether disclosed mandatorily or voluntarily.

(c) *Revision of forms.* The responsible officers must revise any form which does not meet the objectives specified in the Privacy Act as discussed in this section. A separate statement may be used in instances when a form does not conform. This statement will accompany a form and must include all the information necessary to accomplish the objectives specified in the Privacy Act and this section.

#### § 1.36 Systems exempt in whole or in part from provisions of the Privacy Act and this part.

(a) *In general.* In accordance with 5 U.S.C. 552a(j) and (k) and § 1.23(c), Treasury hereby exempts the systems of records identified in paragraphs (c) through (o) of this section from the following provisions of the Privacy Act for the reasons indicated.

(b) *Authority.* The rules in this section are promulgated pursuant to the authority vested in the Secretary of the Treasury by 5 U.S.C. 552a(j) and (k) and pursuant to the authority of § 1.23(c).

(c) *General exemptions under 5 U.S.C. 552a(j)(2).* (1) Under 5 U.S.C. 552a(j)(2), the head of any agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act if the agency or component thereof that maintains the system performs as its principal function any activities pertaining to the enforcement of criminal laws. Certain Treasury components

## Office of the Secretary of the Treasury

## § 1.36

have as their principal function activities pertaining to the enforcement of criminal laws. This paragraph (c) applies to the following systems of records maintained by Treasury:

### (i) *Treasury-wide.*

TABLE 1 TO PARAGRAPH (c)(1)(i)

No.	Name of system
Treasury .013 .....	Department of the Treasury Civil Rights Complaints and Compliance Review Files.

### (ii) *Departmental Offices.*

TABLE 2 TO PARAGRAPH (c)(1)(ii)

No.	Name of system
DO .190 .....	Office of Inspector General Investigations Management Information System (formerly: Investigation Data Management System).
DO .220 .....	SIGTARP Hotline Database.
DO .221 .....	SIGTARP Correspondence Database.
DO .222 .....	SIGTARP Investigative MIS Database.
DO .223 .....	SIGTARP Investigative Files Database.
DO .224 .....	SIGTARP Audit Files Database.
DO .303 .....	TIGTA General Correspondence.
DO .307 .....	TIGTA Employee Relations Matters, Appeals, Grievances, and Complaint Files.
DO .308 .....	TIGTA Data Extracts.
DO .309 .....	TIGTA Chief Counsel Case Files.
DO .310 .....	TIGTA Chief Counsel Disclosure Section Records.
DO .311 .....	TIGTA Office of Investigations Files.

### (iii) *Special Investigator for Pandemic Recovery (SIGPR).*

TABLE 3 TO PARAGRAPH (c)(1)(iii)

SIGPR .420 .....	Audit and Evaluations Records.
SIGPR .421 .....	Case Management System and Investigative Records.
SIGPR .423 .....	Legal Records.

### (iv) *Alcohol and Tobacco and Trade Bureau (TTB).*

TABLE 4 TO PARAGRAPH (c)(1)(iv)

No.	Name of system
TTB .003 .....	Criminal Investigation Report System.

### (v) *Office of the Comptroller of the Currency (OCC).*

TABLE 5 TO PARAGRAPH (c)(1)(v)

No.	Name of system
CC .110 .....	Reports of Suspicious Activities.
CC .120 .....	Bank Fraud Information System.
CC .220 .....	Notices of Proposed Changes in Employees, Officers and Directors Tracking System.
CC .500 .....	Chief Counsel's Management Information System.
CC .510 .....	Litigation Information System.

### (vi) *Internal Revenue Service.*

TABLE 6 TO PARAGRAPH (c)(1)(vi)

No.	Name of system
IRS 34.022 .....	National Background Investigations Center Management Information System (NBICMIS).
IRS 46.002 .....	Criminal Investigation Management Information System and Case Files.

TABLE 6 TO PARAGRAPH (c)(1)(vi)—Continued

No.	Name of system
IRS 46.003 .....	Confidential Informants, Criminal Investigation Division.
IRS 46.005 .....	Electronic Surveillance and Monitoring Records, Criminal Investigation Division.
IRS 46.009 .....	Centralized Evaluation and Processing of Information Items (CEPIIs), Criminal Investigation Division.
IRS 46.015 .....	Relocated Witnesses, Criminal Investigation Division.
IRS 46.016 .....	Secret Service Details, Criminal Investigation Division.
IRS 46.022 .....	Treasury Enforcement Communications System (TECS).
IRS 46.050 .....	Automated Information Analysis System.
IRS 90.001 .....	Chief Counsel Management Information System Records.
IRS 90.004 .....	Chief Counsel Legal Processing Division Records.
IRS 90.005 .....	Chief Counsel Library Records.

(vii) *Financial Crimes Enforcement Network.*

TABLE 7 TO PARAGRAPH (c)(1)(vii)

No.	Name of system
FinCEN .001 .....	FinCEN Investigations and Examinations System.
FinCEN .002 .....	Suspicious Activity Reporting System.
FinCEN .003 .....	Bank Secrecy Act Reports System.

(2) The Department hereby exempts the systems of records listed in paragraphs (c)(1)(i) through (vii) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(j)(2): 5 U.S.C. 552a(c)(3) and (4), 5 U.S.C. 552a(d)(1), (2), (3), (4), 5 U.S.C. 552a(e)(1), (2) and (3), 5 U.S.C. 552a(e)(4)(G), (H), and (I), 5 U.S.C. 552a(e)(5) and (8), 5 U.S.C. 552a(f), and 5 U.S.C. 552a(g).

(d) *Reasons for exemptions under 5 U.S.C. 552a(j)(2).* (1) 5 U.S.C. 552a(e)(4)(G) and (f)(1) enable individuals to inquire whether a system of records contains records pertaining to them. Application of these provisions to the systems of records would give individuals an opportunity to learn whether they have been identified as suspects or subjects of investigation. As further described in the paragraphs (d)(2) through (12) of this section, access to such knowledge would impair the Department's ability to carry out its mission, since individuals could:

- (i) Take steps to avoid detection;
- (ii) Inform associates that an investigation is in progress;
- (iii) Learn the nature of the investigation;
- (iv) Learn whether they are only suspects or identified as law violators;
- (v) Begin, continue, or resume illegal conduct upon learning that they are

not identified in the system of records; or

(vi) Destroy evidence needed to prove the violation.

(2) 5 U.S.C. 552a(d)(1), (e)(4)(H), and (f)(2), (3), and (5) grant individuals access to records pertaining to them. The application of these provisions to the systems of records would compromise the Department's ability to provide useful tactical and strategic information to law enforcement agencies.

(i) Permitting access to records contained in the systems of records would provide individuals with information concerning the nature of any current investigations and would enable them to avoid detection or apprehension by:

(A) Discovering the facts that would form the basis for their arrest;

(B) Enabling them to destroy or alter evidence of criminal conduct that would form the basis for their arrest; and

(C) Using knowledge that criminal investigators had reason to believe that a crime was about to be committed, to delay the commission of the crime or commit it at a location that might not be under surveillance.

(ii) Permitting access to either ongoing or closed investigative files would also reveal investigative techniques and procedures, the knowledge

## Office of the Secretary of the Treasury

## § 1.36

of which could enable individuals planning crimes to structure their operations to avoid detection or apprehension.

(iii) Permitting access to investigative files and records could, moreover, disclose the identity of confidential sources and informants and the nature of the information supplied and thereby endanger the physical safety of those sources by exposing them to possible reprisals for having provided the information. Confidential sources and informants might refuse to provide criminal investigators with valuable information unless they believe that their identities will not be revealed through disclosure of their names or the nature of the information they supplied. Loss of access to such sources would seriously impair the Department's ability to carry out its mandate.

(iv) Furthermore, providing access to records contained in the systems of records could reveal the identities of undercover law enforcement officers who compiled information regarding the individual's criminal activities and thereby endanger the physical safety of those undercover officers or their families by exposing them to possible reprisals.

(v) By compromising the law enforcement value of the systems of records for the reasons outlined in paragraphs (d)(2)(i) through (iv) of this section, permitting access in keeping with these provisions would discourage other law enforcement and regulatory agencies, foreign and domestic, from freely sharing information with the Department and thus would restrict the Department's access to information necessary to accomplish its mission most effectively.

(vi) Finally, the dissemination of certain information that the Department maintains in the systems of records is restricted by law.

(3) 5 U.S.C. 552a(d)(2), (3), and (4), (e)(4)(H), and (f)(4) permit an individual to request amendment of a record pertaining to him or her and require the agency either to amend the record, or to note the disputed portion of the record and to provide a copy of the individual's statement of disagreement with the agency's refusal to amend a

record to persons or other agencies to whom the record is thereafter disclosed. Since these provisions depend on the individual having access to his or her records, and since these rules exempt the systems of records from the provisions of the Privacy Act relating to access to records, for the reasons set out in paragraph (d)(2) of this section, these provisions should not apply to the systems of records.

(4) 5 U.S.C. 552a(c)(3) requires an agency to make accountings of disclosures of a record available to the individual named in the record upon his or her request. The accountings must state the date, nature, and purpose of each disclosure of the record and the name and address of the recipient.

(i) The application of this provision would impair the ability of law enforcement agencies outside the Department of the Treasury to make effective use of information provided by the Department. Making accountings of disclosures available to the subjects of an investigation would alert them to the fact that another agency is conducting an investigation into their criminal activities and could reveal the geographic location of the other agency's investigation, the nature and purpose of that investigation, and the dates on which that investigation was active. Individuals possessing such knowledge would be able to take measures to avoid detection or apprehension by altering their operations, by transferring their criminal activities to other geographical areas, or by destroying or concealing evidence that would form the basis for arrest. In the case of a delinquent account, such release might enable the subject of the investigation to dissipate assets before levy.

(ii) Moreover, providing accountings to the subjects of investigations would alert them to the fact that the Department has information regarding their criminal activities and could inform them of the general nature of that information. Access to such information could reveal the operation of the Department's information-gathering and analysis systems and permit individuals to take steps to avoid detection or apprehension.

### § 1.36

(5) 5 U.S.C. 552(c)(4) requires an agency to inform any person or other agency about any correction or notation of dispute that the agency made in accordance with 5 U.S.C. 552a(d) to any record that the agency disclosed to the person or agency if an accounting of the disclosure was made. Since this provision depends on an individual's having access to and an opportunity to request amendment of records pertaining to him or her, and since these rules exempt the systems of records from the provisions of the Privacy Act relating to access to and amendment of records, for the reasons set out in paragraph (f)(3) of this section, this provision should not apply to the systems of records.

(6) 5 U.S.C. 552a(e)(4)(I) requires an agency to publish a general notice listing the categories of sources for information contained in a system of records. The application of this provision to the systems of records could compromise the Department's ability to provide useful information to law enforcement agencies, since revealing sources for the information could:

- (i) Disclose investigative techniques and procedures;
- (ii) Result in threats or reprisals against informants by the subjects of investigations; and
- (iii) Cause informants to refuse to give full information to criminal investigators for fear of having their identities as sources disclosed.

(7) 5 U.S.C. 552a(e)(1) requires an agency to maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or Executive order. The term *maintain*, as defined in 5 U.S.C. 552a(a)(3), includes *collect* and *disseminate*. The application of this provision to the systems of records could impair the Department's ability to collect and disseminate valuable law enforcement information.

(i) In many cases, especially in the early stages of investigation, it may be impossible to immediately determine whether information collected is relevant and necessary, and information that initially appears irrelevant and unnecessary often may, upon further evaluation or upon collation with in-

formation developed subsequently, prove particularly relevant to a law enforcement program.

(ii) Not all violations of law discovered by the Department fall within the investigative jurisdiction of the Department of the Treasury. To promote effective law enforcement, the Department will have to disclose such violations to other law enforcement agencies, including State, local, and foreign agencies, that have jurisdiction over the offenses to which the information relates. Otherwise, the Department might be placed in the position of having to ignore information relating to violations of law not within the jurisdiction of the Department of the Treasury when that information comes to the Department's attention during the collation and analysis of information in its records.

(8) 5 U.S.C. 552a(e)(2) requires an agency to collect information to the greatest extent practicable directly from the subject individual when the information may result in adverse determinations about an individual's rights, benefits, and privileges under Federal programs. The application of this provision to the systems of records would impair the Department's ability to collate, analyze, and disseminate investigative, intelligence, and enforcement information.

(i) Most information collected about an individual under criminal investigation is obtained from third parties, such as witnesses and informants. It is usually not feasible to rely upon the subject of the investigation as a source for information regarding his criminal activities.

(ii) An attempt to obtain information from the subject of a criminal investigation will often alert that individual to the existence of an investigation, thereby affording the individual an opportunity to attempt to conceal his criminal activities so as to avoid apprehension.

(iii) In certain instances, the subject of a criminal investigation may assert his/her constitutional right to remain silent and refuse to supply information to criminal investigators upon request.

(iv) During criminal investigations it is often a matter of sound investigative procedure to obtain information from a

## Office of the Secretary of the Treasury

## § 1.36

variety of sources to verify information already obtained from the subject of a criminal investigation or other sources.

(9) 5 U.S.C. 552a(e)(3) requires an agency to inform each individual whom it asks to supply information, on the form that it uses to collect the information or on a separate form that the individual can retain, of the agency's authority for soliciting the information; whether disclosure of information is voluntary or mandatory; the principal purposes for which the agency will use the information; the routine uses that may be made of the information; and the effects on the individual of not providing all or part of the information. The systems of records should be exempted from this provision to avoid impairing the Department's ability to collect and collate investigative, intelligence, and enforcement data.

(i) Confidential sources or undercover law enforcement officers often obtain information under circumstances in which it is necessary to keep the true purpose of their actions secret so as not to let the subject of the investigation or his or her associates know that a criminal investigation is in progress.

(ii) If it became known that the undercover officer was assisting in a criminal investigation, that officer's physical safety could be endangered through reprisal, and that officer may not be able to continue working on the investigation.

(iii) Individuals often feel inhibited in talking to a person representing a criminal law enforcement agency but are willing to talk to a confidential source or undercover officer whom they believe are not involved in law enforcement activities.

(iv) Providing a confidential source of information with written evidence that he or she was a source, as required by this provision, could increase the likelihood that the source of information would be subject to retaliation by the subject of the investigation.

(v) Individuals may be contacted during preliminary information gathering, surveys, or compliance projects concerning the administration of the internal revenue laws before any individual is identified as the subject of an investigation. Informing the individual

of the matters required by this provision would impede or compromise subsequent investigations.

(10) 5 U.S.C. 552a(e)(5) requires an agency to maintain all records it uses in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination.

(i) Since 5 U.S.C. 552a(a)(3) defines *maintain* to include *collect* and *disseminate*, application of this provision to the systems of records would hinder the initial collection of any information that could not, at the moment of collection, be determined to be accurate, relevant, timely, and complete. Similarly, application of this provision would seriously restrict the Department's ability to disseminate information pertaining to a possible violation of law-to-law enforcement and regulatory agencies. In collecting information during a criminal investigation, it is often impossible or unfeasible to determine accuracy, relevance, timeliness, or completeness prior to collection of the information. In disseminating information to law enforcement and regulatory agencies, it is often impossible to determine accuracy, relevance, timeliness, or completeness prior to dissemination because the Department may not have the expertise with which to make such determinations.

(ii) Information that may initially appear inaccurate, irrelevant, untimely, or incomplete may, when collated and analyzed with other available information, become more pertinent as an investigation progresses. In addition, application of this provision could seriously impede criminal investigators and intelligence analysts in the exercise of their judgment in reporting results obtained during criminal investigations.

(11) 5 U.S.C. 552a(e)(8) requires an agency to make reasonable efforts to serve notice on an individual when the agency makes any record on the individual available to any person under compulsory legal process, when such process becomes a matter of public record. The systems of records should be exempted from this provision to

### § 1.36

avoid revealing investigative techniques and procedures outlined in those records and to prevent revelation of the existence of an ongoing investigation where there is need to keep the existence of the investigation secret.

(12) 5 U.S.C. 552a(g) provides for civil remedies to an individual when an agency wrongfully refuses to amend a record or to review a request for amendment, when an agency wrongfully refuses to grant access to a record, when an agency fails to maintain accurate, relevant, timely, and complete records which are used to make a determination adverse to the individual, and when an agency fails to comply with any other provision of the Privacy Act so as to adversely affect the individual. The systems of records should be exempted from this provision to the extent that the civil remedies may relate to provisions of the Privacy

### 31 CFR Subtitle A (7–1–23 Edition)

Act from which these rules exempt the systems of records, since there should be no civil remedies for failure to comply with provisions from which the Department is exempted. Exemption from this provision will also protect the Department from baseless civil court actions that might hamper its ability to collate, analyze, and disseminate investigative, intelligence, and law enforcement data.

(e) *Specific exemptions under 5 U.S.C. 552a(k)(1)*. (1) Under 5 U.S.C. 552a(k)(1), the head of any agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act to the extent that the system contains information subject to the provisions of 5 U.S.C. 552(b)(1). This paragraph (e) applies to the following systems of records maintained by the Department of the Treasury:

(i) *Departmental Offices.*

TABLE 8 TO PARAGRAPH (e)(1)(i)

No.	Name of system
DO .120 .....	Records Related to Office of Foreign Assets Control Economic Sanctions.
DO .227 .....	Committee on Foreign Investment in the United States (CFIUS) Case Management System.
DO .411 .....	Intelligence Enterprise Files.

(ii) [Reserved]

(2) The Department of the Treasury hereby exempts the systems of records listed in paragraph (e)(1) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(k)(1): 5 U.S.C. 552a(c)(3), 5 U.S.C. 552a(d)(1), (2), (3), and (4), 5 U.S.C. 552a(e)(1), 5 U.S.C. 552a(e)(4)(G), (H), and (I), and 5 U.S.C. 552a(f).

(f) *Reasons for exemptions under 5 U.S.C. 552a(k)(1)*. The reason for invoking the exemption is to protect material authorized to be kept secret in the interest of national defense or foreign policy pursuant to Executive Orders

12958, 13526, or successor or prior Executive orders.

(g) *Specific exemptions under 5 U.S.C. 552a(k)(2)*. (1) Under 5 U.S.C. 552a(k)(2), the head of any agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act if the system is investigatory material compiled for law enforcement purposes and for the purposes of assuring the safety of individuals protected by the Department pursuant to the provisions of 18 U.S.C. 3056. This paragraph (g) applies to the following systems of records maintained by the Department of the Treasury:

(i) *Departmental Offices.*

## Office of the Secretary of the Treasury

## § 1.36

TABLE 9 TO PARAGRAPH (g)(1)(i)

No.	Name of system
DO .120 .....	Records Related to Office of Foreign Assets Control Economic Sanctions.
DO .144 .....	General Counsel Litigation Referral and Reporting System.
DO .190 .....	Office of Inspector General Investigations Management Information System (formerly: Investigation Data Management System).
DO .220 .....	SIGTARP Hotline Database.
DO .221 .....	SIGTARP Correspondence Database.
DO .222 .....	SIGTARP Investigative MIS Database.
DO .223 .....	SIGTARP Investigative Files Database.
DO .224 .....	SIGTARP Audit Files Database.
DO .225 .....	TARP Fraud Investigation Information System.
DO .227 .....	Committee on Foreign Investment in the United States (CFIUS) Case Management System.
DO .303 .....	TIGTA General Correspondence.
DO .307 .....	TIGTA Employee Relations Matters, Appeals, Grievances, and Complaint Files.
DO .308 .....	TIGTA Data Extracts.
DO .309 .....	TIGTA Chief Counsel Case Files.
DO .310 .....	TIGTA Chief Counsel Disclosure Section Records.
DO .311 .....	TIGTA Office of Investigations Files.

(ii) *Special Investigator for Pandemic Recovery (SIGPR).*

TABLE 10 TO PARAGRAPH (g)(1)(ii)

SIGPR .420 .....	Audit and Evaluations Records.
SIGPR .421 .....	Case Management System and Investigative Records.
SIGPR .423 .....	Legal Records.

(iii) *The Alcohol and Tobacco Tax and Trade Bureau (TTB).*

TABLE 11 TO PARAGRAPH (g)(1)(iii)

No.	Name of system
TTB .001 .....	Regulatory Enforcement Record System.

(iv) *Comptroller of the Currency.*

TABLE 12 TO PARAGRAPH (g)(1)(iv)

No.	Name of system
CC .100 .....	Enforcement Action Report System.
CC .110 .....	Reports of Suspicious Activities.
CC .120 .....	Bank Fraud Information System.
CC .220 .....	Notices of Proposed Changes in Employees, Officers and Directors Tracking System.
CC .500 .....	Chief Counsel's Management Information System.
CC .510 .....	Litigation Information System.

(v) *Bureau of Engraving and Printing.*

TABLE 13 TO PARAGRAPH (g)(1)(v)

No.	Name of system
BEP .021 .....	Investigative files.

(vi) *Internal Revenue Service.*

TABLE 14 TO PARAGRAPH (g)(1)(vi)

No.	Name of system
IRS 00.002 .....	Correspondence File-Inquiries about Enforcement Activities.
IRS 00.007 .....	Employee Complaint and Allegation Referral Records.
IRS 00.334 .....	Third Party Contact Reprisal Records.
IRS 22.061 .....	Wage and Information Returns Processing (IRP).
IRS 26.001 .....	Acquired Property Records.
IRS 26.006 .....	Form 2209, Courtesy Investigations.



TABLE 14 TO PARAGRAPH (g)(1)(vi)—Continued

No.	Name of system
IRS 26.008 .....	IRS and Treasury Employee Delinquency.
IRS 26.011 .....	Litigation Case Files.
IRS 26.012 .....	Offer in Compromise (OIC) Files.
IRS 26.013 .....	One-hundred Per Cent Penalty Cases.
IRS 26.016 .....	Returns Compliance Programs (RCP).
IRS 26.019 .....	TDA (Taxpayer Delinquent Accounts).
IRS 26.020 .....	TDI (Taxpayer Delinquency Investigations) Files.
IRS 26.021 .....	Transferee Files.
IRS 26.022 .....	Delinquency Prevention Programs.
IRS 34.020 .....	IRS Audit Trail Lead Analysis System.
IRS 34.037 .....	IRS Audit Trail and Security Records System.
IRS 37.002 .....	Applicant Appeal Files.
IRS 37.003 .....	Closed Files Containing Derogatory Information about individuals' Practice before the IRS and Files of Attorneys and Certified Public Accountants Formerly Enrolled to Practice.
IRS 37.004 .....	Derogatory Information (No Action).
IRS 37.005 .....	Present Suspensions and Disbarments Resulting from Administrative Proceeding.
IRS 37.007 .....	Inventory.
IRS 37.009 .....	Resigned Enrolled Agents (action pursuant to 31 CFR Section 10.55(b)).
IRS 37.011 .....	Present Suspensions from Practice Before the Internal Revenue Service.
IRS 42.001 .....	Examination Administrative File.
IRS 42.008 .....	Audit Information Management System (AIMS).
IRS 42.012 .....	Combined Case Control Files.
IRS 42.016 .....	Classification and Examination Selection Files.
IRS 42.017 .....	International Enforcement Program Files.
IRS 42.021 .....	Compliance Programs and Projects Files.
IRS 42.029 .....	Audit Underreporter Case Files.
IRS 42.030 .....	Discriminant Function File (DIF) Appeals Case Files.
IRS 44.001 .....	Appeals Case Files.
IRS 46.050 .....	Automated Information Analysis System.
IRS 48.001 .....	Disclosure Records.
IRS 49.001 .....	Collateral and Information Requests System.
IRS 49.002 .....	Component Authority and Index Card Microfilm Retrieval System.
IRS 49.007 .....	Overseas Compliance Projects System.
IRS 60.000 .....	Employee Protection System Records.
IRS 90.002 .....	Chief Counsel Disclosure Litigation Division Case Files.
IRS 90.004 .....	Chief Counsel General Legal Services Case Files.
IRS 90.005 .....	Chief Counsel General Litigation Case Files.
IRS 90.009 .....	Chief Counsel Field Case Service Files.
IRS 90.010 .....	Digest Room Files Containing Briefs, Legal Opinions, Digests of Documents Generated Internally or by the Department of Justice Relating to the Administration of the Revenue Laws.
IRS 90.013 .....	Legal case files of the Chief Counsel, Deputy Chief Counsel, Associate Chief Counsels (Enforcement Litigation) and (technical).
IRS 90.016 .....	Counsel Automated Tracking System (CATS).

(vii) *U.S. Mint.*

TABLE 15 TO PARAGRAPH (g)(1)(vii)

No.	Name of system
Mint .008 .....	Employee Background Investigations Files.

(viii) *Bureau of the Fiscal Service.*

TABLE 16 TO PARAGRAPH (g)(1)(viii)

No.	Name of system
FS .009 .....	Delegations and Designations of Authority for Disbursing Functions.

(ix) *Financial Crimes Enforcement Network.*

TABLE 17 TO PARAGRAPH (g)(1)(ix)

No.	Name of system
FinCEN .001 .....	FinCEN Database.
FinCEN .002 .....	Suspicious Activity Reporting System.
FinCEN .003 .....	Bank Secrecy Act Reports System.

(2) The Department hereby exempts the systems of records listed in paragraphs (g)(1)(i) through (ix) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(k)(2): 5 U.S.C. 552a(c)(3), 5 U.S.C. 552a(d)(1), (2), (3), (4), 5 U.S.C. 552a(e)(1), 5 U.S.C. 552a(e)(4)(G), (H), and (I), and 5 U.S.C. 552a(f).

(h) *Reasons for exemptions under 5 U.S.C. 552a(k)(2).* (1) 5 U.S.C. 552a(c)(3) requires an agency to make accountings of disclosures of a record available to the individual named in the record upon his or her request. The accountings must state the date, nature, and purpose of each disclosure of the record and the name and address of the recipient.

(i) The application of this provision would impair the ability of the Department of the Treasury and of law enforcement agencies outside the Department to make effective use of information maintained by the Department. Making accountings of disclosures available to the subjects of an investigation would alert them to the fact that an agency is conducting an investigation into their illegal activities and could reveal the geographic location of the investigation, the nature and purpose of that investigation, and the dates on which that investigation was active. Individuals possessing such knowledge would be able to take measures to avoid detection or apprehension by altering their operations, by transferring their illegal activities to other geographical areas, or by destroying or concealing evidence that would form the basis for detection or apprehension. In the case of a delinquent account, such release might enable the subject of the investigation to dissipate assets before levy.

(ii) Providing accountings to the subjects of investigations would alert them to the fact that the Department has information regarding their illegal activities and could inform them of the general nature of that information.

(2) 5 U.S.C. 552a(d)(1), (e)(4)(H) and (f)(2), (3), and (5) grant individuals access to records pertaining to them. The application of these provisions to the systems of records would compromise the Department's ability to utilize and provide useful tactical and strategic

information to law enforcement agencies.

(i) Permitting access to records contained in the systems of records would provide individuals with information concerning the nature of any current investigations and would enable them to avoid detection or apprehension by:

(A) Discovering the facts that would form the basis for their detection or apprehension;

(B) Enabling them to destroy or alter evidence of illegal conduct that would form the basis for their detection or apprehension; and

(C) Using knowledge that investigators had reason to believe that a violation of law was about to be committed, to delay the commission of the violation or commit it at a location that might not be under surveillance.

(ii) Permitting access to either ongoing or closed investigative files would also reveal investigative techniques and procedures, the knowledge of which could enable individuals planning non-criminal acts to structure their operations so as to avoid detection or apprehension.

(iii) Permitting access to investigative files and records could, moreover, disclose the identity of confidential sources and informants and the nature of the information supplied and thereby endanger the physical safety of those sources by exposing them to possible reprisals for having provided the information. Confidential sources and informants might refuse to provide investigators with valuable information unless they believed that their identities would not be revealed through disclosure of their names or the nature of the information they supplied. Loss of access to such sources would seriously impair the Department's ability to carry out its mandate.

(iv) Furthermore, providing access to records contained in the systems of records could reveal the identities of undercover law enforcement officers or other persons who compiled information regarding the individual's illegal activities and thereby endanger the physical safety of those undercover officers, persons, or their families by exposing them to possible reprisals.

(v) By compromising the law enforcement value of the systems of records

### § 1.36

### 31 CFR Subtitle A (7-1-23 Edition)

for the reasons outlined in paragraphs (h)(2)(i) through (iv) of this section, permitting access in keeping with these provisions would discourage other law enforcement and regulatory agencies, foreign and domestic, from freely sharing information with the Department and thus would restrict the Department's access to information necessary to accomplish its mission most effectively.

(vi) Finally, the dissemination of certain information that the Department may maintain in the systems of records is restricted by law.

(3) 5 U.S.C. 552a(d)(2), (3), and (4), (e)(4)(H), and (f)(4) permit an individual to request amendment of a record pertaining to him or her and require the agency either to amend the record, or to note the disputed portion of the record and to provide a copy of the individual's statement of disagreement with the agency's refusal to amend a record to persons or other agencies to whom the record is thereafter disclosed. Since these provisions depend on the individual having access to his or her records, and since these rules exempt the systems of records from the provisions of the Privacy Act relating to access to records, these provisions should not apply to the systems of records for the reasons set out in paragraph (h)(2) of this section.

(4) 5 U.S.C. 552a(e)(1) requires an agency to maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required by statute or Executive order. The term *maintain*, as defined in 5 U.S.C. 552a(a)(3), includes *collect* and *disseminate*. The application of this provision to the system of records could impair the Department's ability to collect, utilize and disseminate valuable law enforcement information.

(i) In many cases, especially in the early stages of investigation, it may be impossible immediately to determine whether information collected is relevant and necessary, and information that initially appears irrelevant and unnecessary often may, upon further evaluation or upon collation with information developed subsequently, prove particularly relevant to a law enforcement program.

(ii) Not all violations of law discovered by the Department analysts fall within the investigative jurisdiction of the Department of the Treasury. To promote effective law enforcement, the Department will have to disclose such violations to other law enforcement agencies, including State, local, and foreign agencies that have jurisdiction over the offenses to which the information relates. Otherwise, the Department might be placed in the position of having to ignore information relating to violations of law not within the jurisdiction of the Department of the Treasury when that information comes to the Department's attention during the collation and analysis of information in its records.

(5) 5 U.S.C. 552a(e)(4)(G) and (f)(1) enable individuals to inquire whether a system of records contains records pertaining to them. Application of these provisions to the systems of records would allow individuals to learn whether they have been identified as suspects or subjects of investigation. As further described in paragraphs (h)(5)(i) through (vi) of this section, access to such knowledge would impair the Department's ability to carry out its mission, since individuals could:

- (i) Take steps to avoid detection;
- (ii) Inform associates that an investigation is in progress;
- (iii) Learn the nature of the investigation;
- (iv) Learn whether they are only suspects or identified as law violators;
- (v) Begin, continue, or resume illegal conduct upon learning that they are not identified in the system of records; or
- (vi) Destroy evidence needed to prove the violation.

(6) 5 U.S.C. 552a(e)(4)(I) requires an agency to publish a general notice listing the categories of sources for information contained in a system of records. The application of this provision to the systems of records could compromise the Department's ability to complete or continue investigations or to provide useful information to law enforcement agencies, since revealing sources for the information could:

- (i) Disclose investigative techniques and procedures;

## Office of the Secretary of the Treasury

## § 1.36

(ii) Result in threats or reprisals against informants by the subjects of investigations; and

(iii) Cause informants to refuse to give full information to investigators for fear of having their identities as sources disclosed.

(i) *Specific exemptions under 5 U.S.C. 552a(k)(4)*. (1) Under 5 U.S.C. 552a(k)(4), the head of any agency may promul-

gate rules to exempt any system of records within the agency from certain provisions of the Privacy Act if the system is required by statute to be maintained and used solely as statistical records. This paragraph (i) applies to the following system of records maintained by the Department, for which exemption is claimed under 5 U.S.C. 552a(k)(4).

(i) *Internal Revenue Service*.

TABLE 18 TO PARAGRAPH (i)(1)(i)

No.	Name of system
IRS 70.001 .....	Individual Income Tax Returns, Statistics of Income.

(ii) [Reserved]

(2) The Department hereby exempts the system of records listed in paragraph (i)(1) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(k)(4): 5 U.S.C. 552a(c)(3), 5 U.S.C. 552a(d)(1), (2), (3), and (4), 5 U.S.C. 552a(e)(1), 5 U.S.C. 552a(e)(4)(G), (H), and (I), and 5 U.S.C. 552a(f).

(3) The system of records is maintained under 26 U.S.C. 6108, which requires that the Secretary or his delegate prepare and publish annually statistics reasonably available with respect to the operation of the income tax laws, including classifications of taxpayers and of income, the amounts allowed as deductions, exemptions, and credits, and any other facts deemed pertinent and valuable.

(j) *Reasons for exemptions under 5 U.S.C. 552a(k)(4)*. The reason for exempting the system of records is that disclosure of statistical records (including release of accounting for disclosures) would in most instances be of no benefit to a particular individual since the records do not have a direct effect on a given individual.

(k) *Specific exemptions under 5 U.S.C. 552a(k)(5)*. (1) Under 5 U.S.C. 552a(k)(5), the head of any agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act if the system is investigatory material compiled solely for the purpose of determining suitability, eligibility, and qualifications for Federal civilian employment or access to classified information, but only to the extent that the disclosure of such material would reveal the identity of a source who furnished information to the Government under an express promise that the identity of the source would be held in confidence, or, prior to September 27, 1975, under an implied promise that the identity of the source would be held in confidence. Thus, to the extent that the records in this system can be disclosed without revealing the identity of a confidential source, they are not within the scope of this exemption and are subject to all the requirements of the Privacy Act. This paragraph (j) applies to the following systems of records maintained by the Department or one of its bureaus:

(i) *Departmental Offices*.

TABLE 19 TO PARAGRAPH (k)(1)(i)

No.	Name of system
DO .004 .....	Personnel Security System.

TABLE 19 TO PARAGRAPH (k)(1)(i)—Continued

No.	Name of system
DO .306 .....	TIGTA Recruiting and Placement Records.

(ii) *Internal Revenue Service.*

TABLE 20 TO PARAGRAPH (k)(1)(ii)

No.	Name of system
IRS 34.021 .....	Personnel Security Investigations.
IRS 34.022 .....	Automated Background Investigations System (ABIS).
IRS 90.006 .....	Chief Counsel Human Resources and Administrative Records.

(2) The Department hereby exempts the systems of records listed in paragraphs (k)(1)(i) and (ii) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(k)(5): 5 U.S.C. 552a(c)(3), 5 U.S.C. 552a(d)(1), (2), (3), and (4), 5 U.S.C. 552a(e)(1), 5 U.S.C. 552a(e)(4)(G), (H), and (I), and 5 U.S.C. 552a(f).

(1) *Reasons for exemptions under 5 U.S.C. 552a(k)(5).* (1) The sections of 5 U.S.C. 552a from which the systems of records are exempt include in general those providing for individuals' access to or amendment of records. When such access or amendment would cause the identity of a confidential source to be revealed, it would impair the future ability of the Department to compile investigatory material for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, Federal contracts, or access to classified information. In addition, the systems shall be exempt from 5 U.S.C. 552a(e)(1) which requires that an agency maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or execu-

tive order. The Department believes that to fulfill the requirements of 5 U.S.C. 552a(e)(1) would unduly restrict the agency in its information gathering inasmuch as it is often not until well after the investigation that it is possible to determine the relevance and necessity of particular information.

(2) If any investigatory material contained in the above-named systems becomes involved in criminal or civil matters, exemptions of such material under 5 U.S.C. 552a(j)(2) or (k)(2) is hereby claimed.

(m) *Exemption under 5 U.S.C. 552a(k)(6).* (1) Under 5 U.S.C. 552a(k)(6), the head of any agency may promulgate rules to exempt any system of records that is testing, or examination material used solely to determine individual qualifications for appointment or promotion in the Federal service the disclosure of which would compromise the objectivity or fairness of the testing or examination process. This paragraph (m) applies to the following system of records maintained by the Department, for which exemption is claimed under 5 U.S.C. 552a(k)(6).

(i) *Departmental Offices.*

TABLE 21 TO PARAGRAPH (m)(1)(i)

No.	Name of system
DO .306 .....	TIGTA Recruiting and Placement Records.

(ii) [Reserved]

(2) The Department hereby exempts the system of records listed in para-

graph (m)(1) of this section from the following provisions of the Privacy Act, pursuant to 5 U.S.C. 552a(k)(6): 5

## Office of the Secretary of the Treasury

## Pt. 1, Subpt. C, App. A

U.S.C. 552a(c)(3), 5 U.S.C. 552a(d)(1), (2), (3), and (4), 5 U.S.C. 552a(e)(1), 5 U.S.C. 552a(e)(4)(G), (H), and (I), and 5 U.S.C. 552a(f).

(n) *Reasons for exemptions under 5 U.S.C. 552a(k)(6).* The reason for exempting the system of records is that disclosure of the material in the system would compromise the objectivity or fairness of the examination process.

(o) *Exempt information included in another system.* Any information from a system of records for which an exemption is claimed under 5 U.S.C. 552a(j) or (k) which is also included in another system of records retains the same exempt status such information has in the system for which such exemption is claimed.

### APPENDIX A TO SUBPART C OF PART 1— DEPARTMENTAL OFFICES

1. *In general.* This appendix applies to the Departmental Offices as defined in this subpart, §1.20. It sets forth specific notification and access procedures with respect to particular systems of records, identifies the officers designated to make the initial determinations with respect to notification and access to records, the officers designated to make the initial and appellate determinations with respect to requests for amendment of records, the officers designated to grant extensions of time on appeal, the officers with whom “Statement of Disagreement” may be filed, the officer designated to receive service of process and the addresses for delivery of requests, appeals, and service of process. In addition, it references the notice of systems of records and notices of the routine uses of the information in the system required by 5 U.S.C. 552a(e)(4) and (11) and published annually by the Office of the Federal Register in “Privacy Act Issuances.”

2. *Requests for notification and access to records and accountings of disclosures.* Initial determinations under §1.26, whether to grant requests for notification and access to records and accountings of disclosures for the Departmental Offices, will be made by the head of the organizational unit having immediate custody of the records requested, or the delegate of such official. This information is contained in the appropriate system notice in the “Privacy Act Issuances”, published annually by the Office of the Federal Register. Requests for information and specific guidance on where to send requests for records should be addressed to:

Privacy Act Request, DO, Director, FOIA and Transparency, Department of the Treasury, 1500 Pennsylvania Avenue NW., Washington, DC 20220. Requests may also be sub-

mitted: on the Treasury/FOIA portal, which can be found at: <https://home.treasury.gov/footer/freedom-of-information-act/submit-a-request>; or by email at [FOIA@treasury.gov](mailto:FOIA@treasury.gov).

3. *Requests for amendments of records.* Initial determinations under §1.27(a) through (d) with respect to requests to amend records for records maintained by the Departmental Offices will be made by the head of the organization or unit having immediate custody of the records or the delegate of such official. Requests for amendment of records should be addressed as indicated in the appropriate system notice in “Privacy Act Issuances” published by the Office of the Federal Register. Requests for information and specific guidance on where to send these requests should be addressed to: Privacy Act Amendment Request, DO, Director, FOIA and Transparency, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220.

4. *Administrative appeal of initial determination refusing to amend record.* Appellate determinations under §1.27(e) with respect to records of the Departmental Offices, including extensions of time on appeal, will be made by the Secretary, Deputy Secretary, Under Secretary, General Counsel, Special Inspector General for Troubled Assets Relief Program, or Assistant Secretary having jurisdiction over the organizational unit which has immediate custody of the records, or the delegate of such official, as limited by 5 U.S.C. 552a(d)(2) and (3). Appeals made by mail should be addressed as indicated in the letter of initial decision or to: Privacy Act Amendment Request, DO, Director, FOIA and Transparency, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220.

5. *Statements of disagreement.* “Statements of Disagreement” as described in §1.27(e)(4) shall be filed with the official signing the notification of refusal to amend at the address indicated in the letter of notification within 35 days of the date of notification and should be limited to one page.

6. *Service of process.* Service of process will be received by the General Counsel of the Department of the Treasury or the delegate of such official and shall be delivered to the following location: General Counsel, Department of the Treasury, Room 3000, Main Treasury Building, 1500 Pennsylvania Avenue NW, Washington, DC 20220.

7. *Annual notice of systems of records.* The annual notice of systems of records required to be published by the Office of the Federal Register in the publication entitled “Privacy Act Issuances”, as specified in 5 U.S.C. 552a(f). Any specific requirements for access, including identification requirements, in addition to the requirements set forth in §§1.26 and 1.27 and section 8 of this appendix, and locations for access are indicated in the notice for the pertinent system.