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## **DEPARTMENT OF THE TREASURY**

### **Alcohol and Tobacco Tax and Trade Bureau**

#### **Privacy Act of 1974, as Amended**

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Notice of system of records.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, is publishing its inventory of Privacy Act system of records.

#### **SUPPLEMENTARY INFORMATION:**

Pursuant to the Privacy Act of 1974, as amended, 5 U.S.C. 552a and Office of Management and Budget Circular No. A-130, the Alcohol and Tobacco Tax and Trade Bureau (TTB) has completed a review of its Privacy Act systems of records notice to identify any changes that would more accurately describe these records. This document updates the status of TTB's Records Control Schedules with the National Archives and Records Administration, and makes other minor editorial changes.

TTB's Privacy Act system of records notice was last published in its entirety on December 1, 2011 at 76 FR 74847-74848.

In accordance with 5 U.S.C. 552a(r), Treasury provided a report of this existing system of records to the Office of Management and Budget and Congress.

#### **Systems Covered by This Notice**

This notice covers the system of records entitled "Treasury/TTB .001-Regulatory Enforcement Record System," which is the only system of records adopted by TTB as of October 1, 2014. The system of records notice is published in its entirety below.

Dated: January 12, 2015

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Helen Goff Foster,

Deputy Assistant Secretary for Privacy, Transparency, and Records.

**TREASURY/TTB .001**

**System name:**

Regulatory Enforcement Record System.

**System location:**

Alcohol and Tobacco Tax and Trade Bureau (TTB), 1310 G Street, NW, Box 12, Washington, DC 20005. Components of this system of records are also geographically dispersed throughout TTB's field offices. A list of TTB's field offices is available on the TTB Web site at <http://www.ttb.gov>.

**Categories of individuals covered by the system:**

(1) Individuals who file tax returns or submit return information to TTB regarding special occupational tax and excise taxes on alcohol, tobacco, and firearms and ammunition; and

(2) Individuals who have been issued permits, have filed applications with TTB, or have registered with TTB. They include: (a) Alcohol and tobacco permittees; and (b) Claimants for refund, abatement, credit, allowance, or drawback of excise or special occupational taxes.

**Categories of records in the system:**

Records containing investigative material compiled for TTB's responsibilities under the Internal Revenue Code of 1986 and the Federal Alcohol Administration Act, which may consist of the following:

- (1) Abstracts of offers in compromise;
- (2) Administrative law judge decisions;
- (3) Assessment records including notices of proposed assessments, notices of shortages or losses, copies of notices from the Internal Revenue Service to assess taxes, and recommendations for assessments;
- (4) Claim records including claims, letters of claim rejection, sample reports, supporting data, and vouchers and schedules of payment;
- (5) Correspondence concerning records in this system and related matters;
- (6) Financial statements;
- (7) Audit and investigation reports;
- (8) Demands for payment of excise tax liabilities;
- (9) Letters of warning;
- (10) Lists of permittees and licensees;
- (11) Lists of officers, directors, and principal stockholders;
- (12) Mailing lists;
- (13) Notices of delinquent reports;
- (14) Offers in compromise;
- (15) Operational records, such as operating and inventory reports, and transaction records and reports;
- (16) Orders of revocation, suspension, or annulment of permits or licenses;

(17) Chief Counsel opinions and memoranda;

(18) Reports of violations;

(19) Permits and permit histories;

(20) Qualifying records including access authorizations, advertisement records, applications, business histories, criminal records, educational histories, employment histories, financial data, formula approvals, licenses, notices, permits, personal references, registrations, sample reports, special permissions and authorizations, and statements of process;

(21) Show cause orders; and

(22) Tax records relating to periodic payment and prepayment of taxes, tax returns, and notices of tax discrepancy or adjustment.

**Authority for maintenance of the system:**

5 U.S.C. 301; 26 U.S.C. 5001, 5006(a), 5008, 5041, 5042(a)(2) and (3), 5044, 5051, 5055, 5056, 5061, 5062, 5064, 5101, 5132, 5172, 5179(a), 5181, 5271(b)(1), 5275, 5301(a) and (b), 5312, 5356, 5401, 5417, 5502, 5511(3), 5705, 5712, 6001, 6011(a), 6201, 6423, 7011, and 7122; 27 U.S.C. 204 and 207; and the Homeland Security Act of 2002.

**Purpose(s):**

The purpose of this system is to determine suitability, eligibility, or qualifications of individuals who are engaged or propose to engage in activities regulated by TTB; achieve compliance with laws under TTB's jurisdiction; assure full collection of revenue due from regulated industries; eliminate commercial bribery, consumer deception, and other improper trade practices in the distilled spirits, malt beverage, and wine industries;

and interact with Federal, State, and local governmental agencies in the resolution of problems relating to revenue protection and other areas of joint jurisdictional concern.

**Routine uses of records maintained in the system, including categories of uses and the purposes of such uses:**

Routine uses of records within this system pursuant to which a record may be disclosed are to:

- (1) Third parties when such disclosure is required by statute or Executive Order;
- (2) Third parties to the extent necessary to collect or verify information pertinent to TTB's decision to grant, deny, or revoke a license or permit; to initiate or complete an investigation of violations or alleged violations of laws and regulations administered by TTB;
- (3) Appropriate federal, state, local, or foreign agencies for the purpose of enforcing administrative, civil, or criminal laws; hiring or retention of an employee; issuance of a security clearance, license, contract, grant, or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter;
- (4) A court, magistrate, or administrative tribunal in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of or in preparation for civil discovery, litigation, or settlement negotiations, in response to a subpoena where relevant or potentially relevant to a proceeding, or in connection with criminal law proceedings;
- (5) International Criminal Police Organization and similar national and international intelligence gathering organizations for the purpose of identifying

international and national criminals involved in consumer fraud, revenue evasion, crimes, or persons involved in terrorist activities;

(6) Foreign governments in accordance with formal or informal international agreements;

(7) Appropriate federal, state, local, or foreign agencies responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where the disclosing agency becomes aware of an indication of a violation or potential violation of criminal law or regulation;

(8) A congressional office in response to an inquiry made at the request of the individual to whom the record pertains;

(9) The news media to provide information in accordance with guidelines contained in 28 CFR 50.2 that relate to an agency's functions relating to civil and criminal proceedings;

(10) Third parties for a purpose consistent with any permissible disclosure of returns or return information under the Internal Revenue Code of 1986, as amended;

(11) Appropriate agencies, entities, and persons when: (a) The Department suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (b) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the

Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm;

(12) A contractor for the purpose of processing administrative records and/or compiling, organizing, analyzing, programming, or otherwise refining records subject to the same limitations applicable to Department of the Treasury officers and employees under the Privacy Act;

(13) The Department of Justice when seeking legal advice or when (a) the Department of the Treasury or (b) the disclosing agency, or (c) any employee of the disclosing agency in his or her official capacity, or (d) any employee of the agency in his or her individual capacity where the Department of Justice has agreed to represent the employee, or (e) the United States, where the disclosing agency determines that litigation is likely to affect the disclosing agency, is a party to litigation or has an interest in such litigation, and the use of such records by the Department of Justice is deemed by the agency to be relevant and necessary to the litigation; and

(14) Representatives of the National Archives and Records Administration who are conducting records management inspections under authority of 44 U.S.C. 2904 and 2906.

**Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:**

Records are stored in file folders in filing cabinets and in electronic media.

**Retrievability:**

Records are retrievable by name, by permit or license number, by document locator number, or by employer identification number.

**Safeguards:**

Direct access is restricted to personnel in the Department of the Treasury in the performance of their duties. Non-electronic records are stored in file cabinets in rooms locked during non-duty hours. Records stored in electronic media are password protected and encrypted while at rest in the system and when transmitted. Disclosures are made to routine users on a “need to know” basis and upon verification of the substance and propriety of the request.

**Retention and disposal:**

Records are retained and disposed of in accordance with records disposition schedule DAA-0564-2013-0003, approved by the National Archives and Records Administration for TTB.

**System manager(s) and address:**

Director, National Revenue Center, Alcohol and Tobacco Tax and Trade Bureau, 550 Main Street, Suite 8002, Cincinnati, OH 45202.

**Notification procedure:**

This system of records has been determined to be exempt from compliance with the notification provisions of 5 U.S.C. 552a(e)(4)(G).

**Record access procedures:**

This system of records has been determined to be exempt from compliance with the access provisions of 5 U.S.C. 552a(e)(4)(H).

**Contesting record procedures:**

This system of records has been determined to be exempt from compliance with the provisions of 5 U.S.C. 552a(e)(4)(H) allowing an individual to contest the contents of records.

**Record source categories:**

This system of records has been determined to be exempt from compliance with the provisions of 5 U.S.C. 552a(e)(4)(I) requiring the record source categories be reported.

**Exemptions claimed for the system:**

This system has been designated as exempt from the following provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2): 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (e)(4)(H), (e)(4)(I), and (f). See 31 CFR 1.36.

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