



Government Agency Investment Services System (**GAISS**)

**Privacy Impact Assessment (PIA)**

**December 29, 2006**

<b>Agency:</b>	<b>U.S. Department of the Treasury</b>
<b>Bureau:</b>	<b>Bureau of the Public Debt</b>
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## **Introduction: System Description**

Government Agency Investment Services System (GAISS) is a major application consisting of multiple components and is critical to the Bureau of Public Debt's mission to borrow the money needed to operate the Federal government and to account for the resulting debt. GAISS enables Public Debt to effectively and efficiently administer various programs in support of this mission. The programs are as follows:

***Government Account Series (GAS) program:*** Issues securities in book entry form to Investment accounts, and maintains the detailed record of holdings, activity and earnings of each investment account.

***Managed Trust Funds:*** Public Debt is the servicing agent responsible for processing certain receipt, investment, investment servicing, disbursement, and redemption transactions for the managed trust funds.

***Federal Housing Administration (FHA) Debenture program:*** Transactions include book entry loan transactions and payment information to the public.

***Depository Compensations Securities (DCS) program:*** Securities held to compensate banks for services rendered to U.S. Department of the Treasury (Treasury). Transactions include book entry loan transactions and payment information to the public.

***Treasury's Borrowings program:*** Transactions include borrowings, repayments and related interest on loans between the Treasury and other federal agencies.

***Special Purpose Securities program:*** Transactions include issuance, account maintenance, payments and reporting for Special Purpose securities (State & Local Government Series (SLGS) Time and Demand Deposit securities, Domestic Series (Refcorp) Time and Demand Deposit securities, 5% Rural Electrification Authority (REA) securities, and U.S Guaranty Insurance Company Tax and Loss Securities).

## **Sections I, II and III: Description of Information Collected, Why Information is Requested and the Intended Use of the Information**

Although the majority of the GAISS components do not contain Personally Identifiable Information (PII), the component used to administer the Federal Housing Administration (FHA) Debenture Bond program does contain PII in order to make payments.

Various lending institutions around the country issue FHA guaranteed mortgage loans. If a borrower defaults on one of these loans, the federal government promises to repay the lender. *In a limited number of instances, these lenders are individuals thus requiring Public Debt to maintain PII in GAISS.* The Department of Housing and Urban Development (HUD) issues debenture bonds against mortgage company claims (assignments) under certain low income housing programs instead of making cash payments. When these claims occur, HUD notifies the Bureau of the Public Debt (BPD). BPD is the Fiscal Agent for HUD in issuing and servicing these debentures.

HUD debenture bonds are issued in book-entry form. Generally, HUD debentures bear interest from the date of issue. Interest is normally payable semiannually, on the first day of January and July, at the rate in effect as of the date the commitment was issued. Debentures mature either 10 or 20 years from the issue date.

The primary purpose of requesting this information is to conduct financial transactions in an electronic environment. The financial transactions processed include:

- the creation of interest and maturity payments schedules due bond holders via the Secure Payment System (SPS)
- making interest and maturity payments due bond holders via Automated Clearing House (ACH)
- recording and reporting investment transactions to account for the resulting public debt

A secondary purpose for collecting this information is to thoroughly verify the account-holder's identity to:

- mitigate the risk of identity theft;
- protect the financial interest of the United States federal government; and
- meet the various anti-money laundering and anti-terrorist financing requirements mandated by the federal government.

<b>Ia Description of Information Collected</b>	<b>Ib Source of the Information Collected</b>	<b>II Why the Information is Collected</b>	<b>III Intended Use of the Information</b>
Account /Bank Name	<p>HUD 2063, Schedule of Federal Housing Administration Debentures Authorized and Requisitioned - Original Issue.</p> <p style="text-align: center;">Or</p> <p>Fax from HUD. Request for Debenture Redemption.</p> <p style="text-align: center;">Or</p> <p>PDF 5354, FHA Transaction Request. PDF 5366, FHA New Account Request. PDF5367, FHA Debenture Transfer Request.</p>	<ul style="list-style-type: none"> <li>• Establish an account.</li> <li>• Identify the account holder.</li> <li>• Verify the account holder’s identity.</li> <li>• Register legal ownership of U.S. HUD obligations.</li> <li>• Manage the account holder’s account and investment holdings.</li> <li>• Perform Required IRS reporting functions.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish an account.</li> <li>• Identify the account holder.</li> <li>• Verify the account holder’s identity.</li> <li>• Register legal ownership of U.S. HUD obligations.</li> <li>• Manage the account holder’s account and investment holdings.</li> <li>• Perform Required IRS reporting functions.</li> </ul>
Account Holder Address	<p>HUD 2063, Schedule of Federal Housing Administration Debentures Authorized and Requisitioned – Original Issue.</p> <p style="text-align: center;">Or</p> <p>PDF 5354, FHA Transaction Request. PDF 5366, FHA New Account Request. PDF5367, FHA Debenture Transfer Request .</p>	<ul style="list-style-type: none"> <li>• Verify the account holder’s identity.</li> <li>• Contact the account holder to communicate information regarding the issue or redemption..</li> </ul>	<ul style="list-style-type: none"> <li>• Verify the account holder’s identity.</li> <li>• Contact the account holder to communicate information regarding the issue or redemption.</li> </ul>

<b>Ia Description of Information Collected</b>	<b>Ib Source of the Information Collected</b>	<b>II Why the Information is Collected</b>	<b>III Intended Use of the Information</b>
Account Number	Assigned manually by OPDA or HUD. <p style="text-align: center;">Or</p> Fax from HUD. Request for Debenture Redemption. <p style="text-align: center;">Or</p> PDF 5354, FHA Transaction Request PDF5367, FHA Debenture Transfer Request.	<ul style="list-style-type: none"> <li>• Identify an account.</li> <li>• Authenticate the account-holder.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify an account.</li> <li>• Authenticate the account-holder.</li> </ul>
Social Security Number/ Tax Identification Number	HUD 2063, Schedule of Federal Housing Administration Debentures Authorized and Requisitioned - Original Issue. <p style="text-align: center;">Or</p> Fax from HUD. Request for Debenture Redemption. <p style="text-align: center;">Or</p> PDF 5354, FHA Transaction Request. PDF 5366, FHA New Account Request. PDF5367, FHA Debenture Transfer Request.	<ul style="list-style-type: none"> <li>• Identify the account holder.</li> <li>• Verify the account holder's identity.</li> <li>• Perform Required IRS reporting functions.</li> <li>• Register legal ownership of U.S. HUD obligations.</li> <li>• Establish an account.</li> <li>• Manage the account holder's account and investment holdings.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the account holder.</li> <li>• Verify the account holder's identity.</li> <li>• Perform Required IRS reporting functions.</li> <li>• Register legal ownership of U.S. HUD obligations.</li> <li>• Establish an account.</li> <li>• Manage the account holder's account and investment holdings.</li> </ul>

## **Section IV: With Whom System Information is Shared**

### **Secure Payment System (SPS)**

SPS is a Financial Management Service (FMS) system used for the secure transmission and certification of payment data via electronic means. A file is created from data in the Invest One GAISS component and uploaded into SPS to make FHA debenture bond payments.

FMS successfully completed a Certification and Accreditation (C&A) review of SPS in July 2005. As a result of this review, the system was granted full Authorization to Operate (AO), which is valid through July 2008.

### **Financial Institution Information**

Limited bondholder's banking information is shared with his/her financial institution to electronically process financial transactions. A FHA bondholder must have an active account at a U.S. based financial institution. All payment transactions processed through GAISS are made by crediting the account-holder's designated account at a financial institution via FMS' Secure Payment System (SPS) in conjunction with the Automated Clearing House (ACH) network. Financial institutions provide the initial defense against fraudulent or unauthorized transactions. Public Debt verifies the bondholder's bank account information (ABA routing number and account number) prior to each semi-annual interest payment. The information shared is limited to the following:

- the bondholder's name;
- the bondholder's address;
- the bondholder's ABA routing number;
- the bondholder's financial institution name;
- the bondholder's account number;
- the bondholder's account name;
- the bondholder's account type;
- the bondholder's tax identification number;
- the bondholder's phone number;
- the dollar amount of the transaction; and
- the type of financial transaction (debit or credit).

### **Other Government Agencies**

Public Debt provides income earnings information on FHA bondholders to the Internal Revenue Service (IRS) to comply with the Internal Revenue Code.

### **Courts and Law Enforcement Entities**

In accordance with Title 5 U.S.C. Section 552a (b), Public Debt is permitted to release

customer information in response to a subpoena or order issued by a U.S.-based court. We are further permitted to release information to other government organizations to enable them to perform their official duties. These other government organizations are:

- law enforcement agencies on the federal, state or local level;
- employees or representatives of the General Accounting Office (GAO); and
- members of Congress, or their authorized representatives.

A government organization requesting access to customer information must:

- submit the request in writing to Public Debt;
- identify the specific information needed; and
- specify the official nature of the request (such as a criminal investigation, audit, etc.).

A Public Debt official determines whether the organization's need for the information is justified, and responds to the request based on that determination.

### **Bureau of the Public Debt Employees**

In accordance with Title 5 U.S.C. Section 552a (b) (1) and (2), Public Debt controls employee access to bondholder information. Access to system information is selectively granted based on the employee's need to perform his/her official duties. When an employee's duties change, then his/her access rights are changed accordingly or withdrawn entirely.

Employees are granted information access to perform the following duties:

- Process financial transactions for customers
- Respond to official inquiries regarding investment holdings
- Account for, reconcile and report financial transactions
- Audit and review the business and system processes
- Perform required reporting functions (such as interest income reporting to IRS)
- Oversee the management of the FHA Debenture Bond program
- Administer and manage the system
- Maintain the integrity of the system and its data

Public Debt employees receive training to further improve their handling of sensitive information and understanding of security issues. All GAISS users receive regularly scheduled security awareness refresher training, which is required by Public Debt policy. System users are trained in the security controls of the system, including rules of behavior and the consequences of violating the rules. Public Debt also provides to our employees regularly updated instructional material (both printed and posted on our Intranet website) on security issues.

To further ensure that employees limit their access to customer information to legitimate and authorized business uses, the system uses logical access controls to regulate user behavior. Logical access controls are the system-based mechanisms used to specify which individuals and/or processes are to have access to a specific system resource, and the type of access that is to be permitted. These controls limit users' access to information and restrict their access on the system to their designated level.

## **Section V: Opportunities to Decline/Consent to Uses of Information**

The public does not have access to GAISS system components.

Public Debt fully complies with the provisions of the Freedom of Information Act (FOIA), Title 5 U.S.C. Section 552, and the Privacy Act, Title 5 U.S.C. Section 552a. Public Debt provides an established procedure to solicit requests to review and correct information recorded, and we have a dedicated Disclosure Officer who manages and administers the program. Information on Public Debt's FOIA/Privacy Act program is provided through the following channels:

- A direct FOIA/Privacy Act request email link through Public Debt's public website.
- Official government publications addressing Public Debt programs (such as the Federal Register and the Code of Federal Regulations) published by the U.S. Government Printing Office.

## **Section VI: How Information is Secured**

The information collected and maintained in GAISS is categorized as Sensitive But Unclassified (SBU). Public Debt has implemented suitable system, personnel and physical security measures to adequately protect the integrity and security of this information.

**System Security Measures:** GAISS meets the specific security requirements established by the Federal Information Security Management Act (FISMA), OMB Circular A-130 and guidance from the U.S. Department of Commerce's National Institute of Standards and Technology (NIST). The system was certified to be compliant with these provisions as a result of an OMB A-130 Certification and Accreditation (C&A) security review in May 2006. On May 19, 2006, the Authorizing Official for the system certified that the system is compliant with the federal standards cited above and is authorized to continue operations. This accreditation is valid through May 2009.

In addition to periodic C&A security reviews, GAISS maintains the controls to ensure that continuous monitoring of the system is performed. Continuous monitoring consists of three tasks: (i) configuration management and control; (ii) security control monitoring;



and (iii) status reporting and documentation. The purpose is to provide oversight and monitoring of the security controls in the information system on an ongoing basis and to inform the authorizing official when changes occur that may impact on the security of the system. These activities are performed continuously throughout the life cycle of the system.

GAISS has a multiple automated system edits and input controls to prevent users from initiating erroneous and/or unauthorized transactions. New edits introduced to the system and existing edits are thoroughly tested prior to deployment.

Management controls supplement logical and physical protections by requiring regular and frequent review of audit trails, audit logs, and access violation reports. Public Debt's computing infrastructure is subject to frequent independent audits and regular security reviews.

**Personnel Security Measures:** Public Debt has implemented a detailed security infrastructure to ensure that all employees have been screened and can be afforded a level of trust commensurate with the duties of the individual. These measures comply with the Office of Personnel Management (OPM) human resource guidelines.

Background investigations (in accordance with Executive Orders 12958 and 12968; OMB Circular No. A-130; and Title 5 of the Code of Federal Regulations sections 731, 732, and 736) are conducted on all newly hired Public Debt employees. Regular background reinvestigations are conducted on existing employees as a condition of continued employment. These reinvestigations are conducted approximately every five years. Positions are reviewed to ensure they have been classified at the proper sensitivity level during these investigations and reinvestigations.

**Physical Security Measures:** Physical security at Public Debt buildings includes x-raying all hand carried items by person(s) entering the buildings. Armed security guards are posted throughout our facilities for 24-hour coverage, seven (7) days a week. The exterior of the buildings are monitored with a closed-circuit television and a videocassette recorder system.

Armed security guards monitor access to our buildings. Walk-through and hand-held metal detectors are used to scan for prohibited items. Entry to the buildings is only permitted to individuals with valid Public Debt-issued ID cards, which are validated by a card reader system. The card reader provides the security guard visual and audible signals validating authorized access. This measure prevents unauthorized persons from gaining entry by using a lost or stolen ID card. All interior doors are equipped with dual combination key and cipher locks, which have been guaranteed by the manufacturer to be unique in the area.

**Contingency and Business Continuity Planning:** The programming code and system data are backed up on a regular schedule (nightly, weekly, and monthly) and stored both on-site and off-site in secured, access-restricted locations. An image copy of system data

is also continuously captured and transmitted to an off-site mainframe computer and Storage Area Network (SAN).

Public Debt maintains two contingency sites to support the system environment. One site is located within the same geographic region. The second site is located in another geographic region out of state where duplicate and independent system information is maintained in a secured and access-restricted facility. In the event of a disaster or system failure, systems users can be switched over to either site and continue operations. In addition to plans to ensure business continuity, we maintain automated processes and procedures to address short-term disruptions in the system's ancillary functions.

### **Section VII: System of Records Notification**

Public Debt issued a System of Records notification that covers all GAISS components. The notice was published in the Federal Register dated June 10, 2005, under the title of BPD.003-United States Securities (Other than Savings-Type Securities).

### **Section VIII: The Consequences of Collecting/Flow of Information**

There is a potential risk that Public Debt personnel could access customer information for unauthorized purposes. To mitigate this risk, procedural and systemic controls are in place to detect such misuse. These controls are fully described above in sections IV and VI.

### **Section IX: Alternatives to Collecting and Handling Information**

There have been no efforts to explore alternatives to the current collection and handling of information for GAISS. Public Debt has established a baseline set of Rules of Behavior. These Rules of Behavior are applicable for all systems and users. Public Debt requires the Rules of Behavior to be read and acknowledged before its employees and contractors are granted access to any Public Debt application or infrastructure. The rules clearly delineate responsibilities of and expectations for all individuals with access to GAISS system components. Non-compliance of these rules will be enforced through sanctions commensurate with the level of infraction. Actions may range from a verbal or written warning, removal of system access for a specific period of time, reassignment to other duties, or termination, depending on the severity of the violation.

## **Section X: Risk Mitigation Measures**

A thorough risk inventory analysis was conducted on the system April 3, 2006. This inventory is re-examined and re-assessed at least annually to address new developments, and the current version addresses 19 risks factors.

## **Section XI: Rationale for the Final System Design**

GAISS houses one of the Bureau of Public Debt's primary Lines of Business (LOB), Government Agency Investment Services (GAIS). This LOB is responsible for the accounting of the Federal Investments, Special Purpose Securities, and Loans Receivable programs. In July 2005, Public Debt management announced a strategic direction to reduce the number of systems used to support GAIS. Through systems reduction, Public Debt will streamline the diversity of technology involved in supporting this business line. Additionally, this effort will allow us to consolidate and standardize the internal controls over processes common to all GAIS programs. The control environment consists of 18 processes that will be transformed into 6 standardized processes.

Listed below are the six processes common to all GAIS programs:

### Funds Management

- reconciling investment activity to increases/decreases in funds

### Investment Accounting

- calculating amortization and interest accruals
- calculating accounts receivable and accounts payable
- generating payment information

### Standard Reporting

- generating common accounting reports including periodic investment statements of account

### Customer Interface

- allowing investment activity to be managed by on-line customers

### Account Maintenance

- ensuring proper management of user access/security
- managing account information

### Enhanced Reporting

- creating customized accounting reports that will further the customer's understanding of their investment activity

Consolidating the systems that house GAIS data into a single, integrated control environment will provide one location for all investment activities. Ultimately, Public Debt will standardize system, business, and data elements; lower operational risks/costs; and provide more timely and accurate data.

## **Section XII: Informational Life Cycle Analysis**

Public Debt has implemented a records management procedure to ensure the correct and proper retention and ultimate disposal of systemic and business records for the system. This procedure was established based on regulatory guidance provided by the National Archive and Records Administration (NARA). This guidance addresses the general records requirements as cited in the relevant sections of General Records Schedule (GRS) 20 and 24, and the specific guidance set forth for electronic records as cited in NARA Bulletin 2003-02.

*Insert PDF 5055 E Record of Coordination and Approval*