

**US Department of the Treasury**  
**Financial Management Service**  
**Financial Operations**  
**Financial Accounting and Services**  
**Name of Project: FedDebt**  
**Privacy Impact Assessment (PIA)**

**A. System Application / General Information:**

**1) Does this system contain any personal information about individuals?**

Yes. Data records may contain:

- Individual identifying information such as:
  - Name(s)
  - Taxpayer identification number (i.e. social security number)
  - Date of birth
  - Work and home telephone numbers
  - Work and home addresses
  - Name of employer and employer address
  - Wage information
- Employer identifying information such as:
  - Name(s)
  - Taxpayer identification number (i.e. employer identification number)

The records may also contain information about:

- The debt
  - The original amount of the debt
  - The debt account number
  - The date the debt originated
  - The amount of the delinquency or default
  - The date of the delinquency or default
  - Basis for the debt
  - Amounts accrued for interest, penalties, and administrative costs
  - Payments on the account
- The actions taken to resolve or collect the debt
  - Copies of demand letters or invoices
  - Documents or information required for the referral of accounts to collection agencies or for litigation
  - Collector's notes related to the collection or resolution of the debt
- The referring or governmental agency that is collecting or owed the debt
  - Name
  - Telephone number
  - Address
  - Point of contact

**a. Is this information identifiable to the individual?**

Yes. The system contains information that may be identifiable to the individual such as name and taxpayer identification number as noted above.

**b. Is this information about individual members of the public?**

Yes. The system contains information that may be about individual members of the public as noted above.

**c. Is the information about employees?**

Yes. The system contains information that may be about employees as noted above.

**2) What is the purpose of the system/application?**

The purpose of this system is to maintain records about individuals who owe delinquent debt(s) to the U.S. Government through one or more of its departments and agencies and/or to States, Territories and Commonwealths of the United States, and the District of Columbia including past due child support which is being enforced by States, Territories and Commonwealths of the United States, and the District of Columbia. The information contained in the records is maintained for the purpose of taking action to facilitate the collection and resolution of the debt(s) using various collection methods, including, but not limited to, requesting repayment of the debt by telephone or in writing, offset, levy, administrative wage garnishment, referral to collection agencies or for litigation, and other collection or resolution methods authorized or required by law. The information also is maintained for the purpose of providing collection information about the debt to the agency collecting the debt, to provide statistical information on debt collection operations, and for the purpose of testing and developing enhancements to the computer systems that contain the records.

**3) What legal authority authorizes the purchase or development of this system/application?**

In response to a steady increase in the amount of delinquent non-tax debt owed to the United States, Congress passed the Debt Collection Improvement Act (DCIA) of 1996 (Pub L. 104-134, sec. 31001). This law centralized the government-wide administrative collection of non-tax delinquent debt and gave Treasury significant new responsibilities in this area. The Financial Management Service (FMS) is responsible for Treasury's implementation of the debt collection provisions of the DCIA. The Debt Management Services (DMS), a business line of FMS, is the Government's central debt collection agency. The legal authorities applicable to this system/application are:

- Federal Claims Collection Act of 1966 (Pub L. 89-508), as amended by the Debt Collection Act of 1982 (Pub L. 97-365, as amended) and the Debt Collection Improvement Act of 1996 (noted above), generally codified at 31 U.S.C. 3701 et seq. and 5 U.S.C. 5514.
- Deficit Reduction Act of 1984 (Pub L. 98-369, as amended) (tax refund offset provisions are codified at 26 U.S.C. 6402 and 31 U.S.C. 3720A)
- Taxpayer Relief Act of 1997 as noted above, and as amended by the American Jobs Creation Act of 2004 (codified at 26 U.S.C. 6331)
- Internal Revenue Service Restructuring and Reform Act of 1998 (Pub L. 105-206) as noted above (tax refund offset provisions are codified at 26 U.S.C. 6402)
- Treasury's access to information in the National Directory of New Hires (NDNH) is authorized by 42 U.S.C. § 653(j)(9) (as enacted by Public Law No. 108-447, Div. H, Title VI § 643 (Dec. 8, 2004))

**A. Data in the System:**

**1) What categories of individuals are covered in the system?**

The categories covered in the system include:

- Individuals
- Members of the public
- Employees
- Sole Proprietors

Each of these categories owe delinquent debts to:

- U.S. Government through one or more of its departments and agencies
- States, Territories and Commonwealths of the United States, and the District of Columbia

**2) What are the sources of the information in the system?**

**a. Is the source of information from the individual or is it taken from another source? If not directly from the individual, then what other source?**

Information in this system is obtained from the individual or entity (or an authorized representative of the individual or entity), Federal agencies, private collection agencies, credit bureaus and other publicly available databases (such as AutoTrak), and state or local agencies furnishing identifying information, address of debtor information, and/or other information related to the individual and entity, as necessary for debt collection purposes.

**b. What Federal agencies are providing data for use in the system?**

The following FPAs refer their delinquent Federal tax and non-tax debt for collection: Central Intelligence Agency; Commodity Futures Trading Commission; Consumer Product Safety Commission; Corporation for National Service; Department of Agriculture: Rural Development Agency, Farm Service Agency, Animal and Plant Health Service, Rural Marketing Agency, National Finance Center, Food and Nutrition Service; Department of Commerce; Department of Defense: Defense Finance and Accounting Service, Army-Air Force Exchange Service, U.S. Army Community & Family Support Center, Navy Exchange, Navy Personnel Command, Defense Commissary Agency Headquarters, Marine Exchange, Air Force Services; Department of Education; Department of Energy; Department of Health and Human Services: Program Support Center, Office of Child Support Enforcement; Department of Homeland Security: Federal Emergency Management Agency, Customs Service, Federal Law Enforcement Training Center, Secret Service; Department of Housing and Urban Development; Department of the Interior; Department of Justice: Bureau of Alcohol, Tobacco and Firearms, Debt Accounting Operations Group; Department of Labor; Department of State; Department of Transportation; Department of the Treasury: Financial Management Service - Reclamation Branch, DMS Cross-Servicing, Philadelphia Regional Finance Center, Internal Revenue Service, United States Mint; Department of Veterans Affairs; Environmental Protection Agency; Equal Employment Opportunity Commission, Federal Communications Commission; Federal Election Commission; Federal Maritime Commission; Federal Retirement Thrift Investment Board; Federal Trade Commission; General Services Administration; Government Printing Office; James Madison Memorial Fellowship Foundation; Library of Congress; National Aeronautics and Space Administration; National Endowment For The Arts; National Indian Gaming Commission; National Labor Relations Board; National Science Foundation; National Security Agency; National Transportation Safety Board; Nuclear Regulatory Commission; Office of Personnel Management; Peace Corps; Pension Benefit Guaranty Corporation; Railroad Retirement Board; Securities & Exchange Commission; Small Business Administration; Social Security Administration; U.S. Agency for International Development; U.S. House of Representatives; US Postal Service.

**c. What State and/or local agencies are providing data for use in the system?**

The following states refer their delinquent non-tax debt, child support debt and state income tax debt for collection: Alabama, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Maine, Maryland, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Virginia, West Virginia and Wisconsin.

**d. From what other third party sources will data be collected?**

Data will be collected from third party sources as noted above.

**e. What information will be collected from the employee and the public?**

Information varies, depending on the individual debtor, the type of indebtedness and the governmental entity to which monies are owed. The system contains information pertaining to:

- Individuals and commercial organizations, such as name, Taxpayer Identification Number (TIN) (i.e., social security number, or employer identification number), date of birth, work and home address, and work and home phone numbers, financial information, and credit history
- The indebtedness, such as the original amount of the debt, the date the debt originated, the amount of the delinquency/default, the date of delinquency or default, basis of the debt, debt collection activity information, payments on the account, and amounts accrued for interest, penalties, and administrative costs

**3) Accuracy, Timeliness, and Reliability**

**a. How will data collected from sources other than FMS records be verified for accuracy?**

Information collected from the affected individual, entity, or authorized representative, is verified by comparing the information to information collected from Federal or state agencies that have referred a delinquent debt to FMS for collection and information collected from credit bureaus and other publicly available databases. Individuals, entities, and representatives providing financial information are required to attest to the accuracy of the information.

Federal and state agencies providing information to FMS are required to certify to FMS as to the accuracy of the information and that all due process pre-requisites to debt collection have been met..

Information provided to FMS by the Department of Health and Human Services (HHS) contains information from the National Directory of New Hires (NDNH), a database of employment information about employed individuals. The NDNH contains the information supplied by each new employee to his or her employer on Internal Revenue Service (IRS) Form W-4 (Employee's Withholding Allowance Certificate) and quarterly wage information provided by employers to state agencies. The employee providing IRS W-4 information declares under penalties of perjury that the information provided (name, TIN, and address) is true, correct, and complete. The quarterly wage information is likewise certified by employers to states as true and correct. HHS provides NDNH information to FMS based on debtor information (name and TIN) provided to HHS by FMS. HHS verifies that a debtor's name and TIN matches an employee's name and TIN in the NDNH. If there is no match, HHS will so notify FMS that the name and TIN do not match the information in the NDNH. HHS supplies only the most recent employment information about a debtor (i.e., employer, employer address, etc.) as is contained in the NDNH, which is updated regularly.

Information obtained by FMS from other publicly available databases is verified by comparing the information to information obtained from other sources before the information is used for purposes of debt collection activities. If an affected individual or entity disputes, in writing, the accuracy of the information contained in the system, FMS will contact the source of the information for additional verification. The credit bureaus that provide information to FMS are subject to the Fair Credit Reporting Act, which provides mechanisms to correct inaccurate information.

**b. How will data be checked for completeness?**

Data validation and reconciliation checks are performed by Integrated FedDebt during input and export batch processing, and user input. Once a record is created for a Debt/Debtor, the data cannot be deleted in the system. All changes will be appended to the record.

- Input Batch – Incoming files from the various creditor agencies, Federal employing agency, collection agencies, credit bureaus, and Federal, state or local agencies are accepted or rejected based on validation rules for balancing. Syntax checking is limited to only those that are needed for file balancing. The validation program verifies that the file balances and passes other file level edits appropriate for its file type. After the job is run, the Integrated FedDebt validation program issues a successful return code and displays success messages. The program then transmits a copy of a control report to Input Management which will determine further processing based on the return code and the error report. The program saves the file name, job name, processing date, processing time, and return code as log information.
- Output Batch – Integrated FedDebt updates TOP daily. Numerous checks are conducted during the process to ensure that up-to-date data is used when creating the batch file. These checks include: initial referral; adding new debtor to debt; changes to name, address, TIN, amount of debt; etc.
- User Input – Validation checks and lookup tables have been incorporated into the data input screens/fields to help eliminate user input errors.

**c. Is the data current?**

The data in the system is the last available information known to the source of the information. Data contained in the system is updated continually with information from the source provider, however not all data records are updated. Data files that have not been updated are placed in an archive in an inactive status. When a file is archived will vary depending on the individual debtor, the type of indebtedness and the governmental entity to which monies are owed.

**d. Are the data elements described in detail and documented?**

Yes. Data elements are described and documented in the DMS Data Dictionary. This document may be made available upon request.

**B. Attributes of the Data:**

**1) Is the use of the data both relevant and necessary to the purpose for which the system is being designed?**

Yes. Integrated FedDebt will integrate TOP and DMSC/PMAC, the primary debt collection programs that DMS utilizes to enforce provisions of the DCIA and other debt collection laws. Records are maintained about individuals who owe delinquent debt(s) to the U.S. Government through one or more of its departments and agencies

and/or to States, Territories and Commonwealths of the United States, and the District of Columbia including past due support which is being enforced by States, Territories and Commonwealths of the United States, and the District of Columbia. The information contained in the records is maintained for the purpose of taking action to facilitate the collection and resolution of the delinquent debt(s) using various collection methods.

**2) Will the system derive new data or create previously unavailable data about an individual through aggregation from the information collected, and how will this be maintained and filed?**

No. The system will not derive any new data or create previously unavailable data about an individual through aggregation from the information collected as a result of the Integrated FedDebt System.

**3) Will the new data be placed in the individual's record?**

No. As discussed above in section above, record files on debtors are continually updated based on the data provided from the individual or entity, creditor agencies, Federal employing agency, collection agencies, credit bureaus, and Federal, state or local agencies, as a matter of standard accounting practices.

**4) Can the system make determinations about employees/public that would not be possible without the new data?**

No. Debt collection action is based on the information received from the individual or entity, creditor agencies, Federal employing agency, collection agencies, credit bureaus, and Federal, state or local agencies.

**5) How will the new data be verified for relevance and accuracy?**

As detailed in section above, no new data is derived from the system nor is there any previously unavailable data created by the system.

**6) If the data is being consolidated, what controls are in place to protect the data from unauthorized access or use?**

Level of access to the system is on a need-to-know basis only as authorized by the system owner in accordance with Federal law. Controls are predicated on preventing unauthorized users from accessing FMS IT resources, and to ensure each authorized user is accountable for his actions. These controls are intended to provide for integrity, confidentiality, and availability for FMS IT resources following the least privilege and the separation of duties principles. Procedural and physical safeguards are utilized, such as accountability, receipt records, and specialized communications security. Access to computerized records is limited through the use of access codes, entry logs, and other internal mechanisms, to restrict access to those authorized whose official duties require access. Audit logs are maintained and reviewed. Hard-copy records are held in steel cabinets, with access limited by visual controls and/or lock system. During normal working hours, files are attended by responsible officials; files are locked up during non-working hours. The buildings are patrolled by armed uniformed security guards.

**7) If processes are being consolidated, are the proper controls remaining in place to protect the data and prevent unauthorized access?**

Yes. Although data and processes are being consolidated, access controls are in place to authorize or restrict the activities of users and system personnel to and within Integrated FedDebt. The hardware and software features are designed to permit only authorized access to and within the application, to restrict users to authorized transactions and functions, and/or to detect unauthorized activities.

**8) How will the data be retrieved?**

Records are retrieved by various combinations of name or taxpayer identification number (i.e. social security number or employer identification number), or debt account number.

**9) What kinds of reports can be produced on individuals? What will be the use of these reports? Who will have access to them?**

Reports that contain information regarding debt information; i.e. name, date the debt was incurred, collection attempts, etc. can be generated. These reports would be used by the agency to facilitate recovery of funds owed to the U.S. Government, States, Territories and Commonwealths of the United States, and the District of Columbia. Access to these reports would be permitted on a need-to-know basis only following the least privilege and the separation of duties principles.

**10) What opportunities do individuals have to decline to provide information (i.e., where providing information is voluntary) or to consent to particular uses of the information (other than required or authorized uses), and how individuals can grant consent.**

Individuals do not have the opportunity to decline to provide information because providing information is not voluntary. Information in this system is obtained from Federal agencies, private collection agencies, credit bureaus and other publicly available databases (such as AutoTrak), and state or local agencies as necessary for debt collection purposes. Amplifying information may be supplied by the individual at their discretion.

**C. Maintenance and Administrative Controls:**

**1) If the system is operated at more than one site, how will consistent use of the system and data be maintained at all sites?**

The system is operated at one site only, the Bureau of Public Debt, located in Parkersburg, West Virginia.

**2) What are the retention periods of data in this system?**

Once an electronic record is created for a Debt/Debtor, the data cannot be deleted in the system unless the data is archived (moved) to another medium for continued preservation or is eligible for destruction based upon a disposition schedule (retention period) approved by the National Archives and Records Administration (NARA). NARA has approved a schedule (N1-425-03-1) for debtor records managed by the Cross-Servicing Division, DMS.

Summary information, such as results of collection action undertaken, for the purpose of producing management reports is retained for a period of five (5) years. This information does not contain any individual information.

**3) What are the procedures for disposition of the data at the end of the retention period? How long will the reports produced be kept? Where are the procedures documented?**

Disposition of the data at the end of the retention period, length of time that reports will be kept, and the documentation of the procedures for disposition are discussed in section above.

**4) Is the system using technologies in ways that the FMS has not previously employed (e.g. monitoring software, Smart Cards, Caller-ID)?**

Yes. However, while many new technologies will be employed in the Integrated FedDebt Program, the use of these new technologies and their applications relative to the Integrated FedDebt Program do not impact the privacy of information retained in the system with respect to individuals, members of the public, and employees.

**5) How does the use of this technology affect public/employee privacy?**

As discussed in section above, Public/employee privacy will not be affected by the use of new technology in the Integrated FedDebt Program. Additionally, the controls for level of access will remain in place.

**6) Will this system provide the capability to identify, locate, and monitor individuals? If yes, explain.**

Yes. This system does provide the capability to identify, locate, and monitor individual users. Treasury policy states that program officials shall ensure users of the IT resources supporting their programs have a validated requirement to access their resources. In support, FMS policy requires the establishment and implementation of account management controls for FMS IT resources. These controls ensure that each authorized user is accountable for his actions and are intended to provide for integrity, confidentiality, and availability for FMS IT resources. These controls are predicated on preventing unauthorized users from accessing FMS IT resources.

**7) What kinds of information are collected as a function of the monitoring of individuals?**

As a function of monitoring, program officials can determine if the data base was accessed or changed, the type of change, the time of the change, agency, bureau, office, information for each user, and if the user is internal or external. If the user is an external user, information on the agency can be supplied.

**8) What controls will be used to prevent unauthorized monitoring?**

Monitoring of the Integrated FedDebt system is an automated procedure that is a function of the operating system and several applications. The monitoring is done to produce an audit trail to ensure that all accesses to the system are by authorized personnel following the rules of behavior in performance of official duties. The audit logs are reviewed only by supervisory personnel as determined by the system owner and Information Systems Security Officer (ISSO).

**9) Under which Privacy Act system of records notice does the system operate? Provide number and name.**

Treasury/FMS.014 Debt Collection Operations System – Treasury/Financial Management Service.

**10) If the system is being modified, will the Privacy Act system of records notice require amendment or revision? Explain.**

No. The information supplied in Treasury/FMS.014 Debt Collection Operations System – Treasury/Financial Management Service does not require amendment or revision. The existing system of records notice covers the way personal information will be collected, maintained and disclosed in the Integrated FedDebt system.

**F. Access to the Data:**

**1) Who will have access to the data in the system?**

The system owner will identify the specific user or class of users that are authorized to obtain direct access to the system for which he or she is responsible. The ISSO will periodically review access authorization listings and determine whether they remain appropriate. Twenty-eight user roles have been established based upon the principle of minimum required access.

**2) How is access to the data by a user determined?**



The need for access and the level of access will be validated and verified at a minimum by the system owner in accordance with Federal law, and depending on the IT resource, by the user's supervisor.

The authorization for access and the level of access allowed in the system will be determined and verified by the system through identification and authentication.

**3) Will users have access to all data on the system or will the user's access be restricted? Explain.**

Users will not have access to all the data on the system. User level of access is restricted to a need-to-know basis only following the least privilege and the separation of duties principles.

**4) What controls are in place to prevent the misuse (e.g., unauthorized browsing) of data by those having access?**

Users having access to the data in the system are subject to the Privacy Act, applicable laws governing access to information in the National Directory of New Hires (NDNH), taxpayer disclosure laws, other applicable laws, regulations, and policies, and the Rules of Behavior signed by each user.

System controls are predicated on preventing unauthorized users from accessing DMS IT resources and ensuring each authorized user is accountable for his actions. These controls are intended to provide for integrity, confidentiality, and availability for DMS IT resources following the least privilege and the separation of duties principles.

FMS has specific procedures in place for evaluating the sensitivity and access levels required for staff and contractor positions. Individuals associated with FMS systems receive the background screening appropriate for the position to which they are assigned via the federal employment suitability process. Access may be granted to users after completing and submitting the required background screening forms (e.g., SF-85/85P).

Security awareness and training provide system users with the context and methods needed to use the system securely and to protect sensitive equipment and data.

Audit logs are maintained and will record any access to the data base.

**5) Are contractors involved with the design and development of the system and will they be involved with the maintenance of the system?**

Yes, contractor personnel are involved in the design and development of the system but do not have access to any sensitive personal information contained in the data system.

**6) Do other systems share data or have access to the data in the system? If yes, explain.**

Yes. Integrated FedDebt has major interfaces with:

- Creditor Agencies - Batch files are provided for entry of new delinquent debts into the Integrated FedDebt system as well as for updating of existing debt/debtor information. Debts can be recalled from collection by the creditor agency or can be returned to the agency from Integrated FedDebt as uncollectible.
- Private Collection Agencies (PCAs) - New delinquent debts are assigned and distributed to the PCAs. Updates of debt/debtor information and updated accounting information for cases are also forwarded to the assigned PCAs. Updates of debt/debtor information can also be forwarded to Integrated FedDebt when identified by the PCAs. Debts can be recalled from a PCA collection or can be returned by a PCA as uncollectible.

- Department of Justice (DOJ) - Cases can be routed to the DOJ when collectors find that litigation is warranted.
- Debt Management Accounting System (DMAS) - This system provides general ledger activities and produces operational, management, and standard external reports such as the SF-224.

Integrated FedDebt also interfaces with the Department of Health and Human Services (HHS), Office of Child Support Enforcement (OCSE) for the National Directory of New Hires (NDNH) by providing an extract file that contains individual identifying information (name and TIN) about debtors to OCSE, which in turn provides employment information about those debtors to Integrated FedDebt. The information contained in the extract file provided by FMS is not retained by the OCSE.

**7) Who will be responsible for protecting the privacy rights of the public and employees affected by the interface?**

The FMS Office of the Chief Information Officer (CIO), FMS Information Systems Security Officer (ISSO), and FMS Business Line Executives all work together to protect the privacy rights of the public.

**8) Will other agencies share data or have access to the data in this system (Federal, State, Local, Other)?**

Yes. Other agencies will have access to the data and share data with the Integrated FedDebt system; however, any other agency will have access only to the data that is relevant to that agency for the collection of its delinquent debt.

Data in the system supplied by HHS from the NDNH will be available in view access only to authorized DMS personnel and to the PCA that is assigned collection activity. NDNH data will not be shared with other creditor agencies nor will they have access to the data obtained from the NDNH.

**9) How will the data be used by the other agency?**

Other agencies will use the data to facilitate the collection of delinquent debt and update records of debtors.

**10) Who is responsible for assuring proper use of the data?**

FMS (through its DMS business line) has primary responsibility for assuring proper use of the data in the Integrated FedDebt System. However, other Federal agencies, state agencies, and private collection agencies all share responsibility for ensuring proper use of the data to which their employees have access. Credit bureaus are required to follow federal law, including the Fair Credit Reporting Act (FCRA) to ensure proper use of the data reported to them from the Integrated FedDebt System.

