NATIONAL RECOVERIES, INC

Privacy Impact Assessment (PIA)
for the

NRI – ED Debt Collection System (NDCS)

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Abstract

This Privacy Impact Assessment (PIA) is being published by National Recoveries, Inc. (NRI). NDCS is a stand-alone and independent collection system to provide a platform and the tools for NRI to collect defaulted student loans placed for collections by the U.S. Department of Education (ED). This PIA is being conducted because NDCS collects personally identifiable information from multiple sources, stores the information, and serves as a system of record for ED. This PIA is required under Federal Information Security Management Act (FISMA) requirements for ED and its contractors.

Overview

The NDCS is a secure system consisting of hardware, applications, and operating systems, owned and operated by NRI. It supports NRI employees in locating and contacting defaulted student loan borrowers to effect collections. The system is set up to ensure that all Statement of Work (SOW) and other operational requirements under the ED task order contract are met consistently and that NRI performance is satisfactory to ED.

All NDCS users are entered into the system and assigned rights associated with their respective job functions. Among the roles assigned are those of Collector, clerk, Skip Tracer, Supervisor, Unit manager, Manager, and Director. System rights are assigned relative to the employee's role by NDCS Administrators during user registration. Users of NDCS first authenticate to their personal computer, then to a Windows domain, and finally to NDCS. Upon accessing the system, users follow pre-defined methods and procedures to begin their collection efforts under the guidance of management staff.

NDCS contains information provided via data transmission, information obtained by NRI through public and proprietary resources, and notes and summaries of all NRI activity related to each individual and NRI collection efforts. Data containing payments, reconciliations, rehabilitations, wage garnishments, activity, and related information are securely transmitted to ED in accordance with protocols established by ED.

1. What information is collected in the system?

NDCS contains records related to debtor backgrounds and demographics including:

a) Full Name
b) Address
c) Social Security Number
d) Telephone Number
e) Email Address
f) Employment Information
g) Borrower Information to include; disbursement amount, principal balance, interest accrual, loan status, repayment plan, repayment amount, forbearance status, deferment status, separation date, grace period and delinquency
h) Borrower Reference information (Parent's name, address, phone)
i) School they attended
j) Checking account information
k) Credit Card Information
l) Banking information
m) Collected correspondence

2. Why is the information being collected?

The information collected in NDCS is collected for the following purposes, which are specifically contained in the Routine Disclosures allowed under ED's Privacy Rule provided to contractors:

a) To aid in the collection efforts and resolving defaulted Federal Student Aid accounts.
b) NDCS provides a vehicle for the storage, retrieval, and editing of borrower information.
c) Correspondence to the borrowers from NRI which is provided by this system and on behalf of ED.

3. How will the information be used?

The information is used specifically and solely for the purpose of effecting resolution on the defaulted student loan. Information on ED borrowers is not used for any other purpose, including collecting debts for other NRI clients to whom the same ED borrower may owe another debt. Information for those clients is developed and stored completely separately. NRI does not have

any programs, which match files or data on ED borrowers for other purposes.

4. Will this information be shared with any other agency or entity? If so, with which agency or agencies/entities?

Information on ED borrowers will not be shared with any other agency or entity for any other purpose other than those allowed under Routine Disclosures.

Personally Identifiable Information (PII) is shared only to the extent that the information allows NRI to develop additional information to help collect the defaulted debt(s). In general, the only information disclosed are the SSN, Name, and Address of the defaulted borrower in order to develop new address, telephone number, employment, or asset information.

The information is not currently shared with any vendors.

5. Describe the notices or opportunities for consent that would be or are provided to individuals about what information is collected and how that information is shared with other organizations.

The National Recoveries, Inc. receives information from the Department of Education, Federal Student Aid Debt Management and Collection System (DMCS). As DCMS is the parent system from where National Recoveries, Inc. receives privacy information, the DCMS warning and privacy disclosure statement below is used:

DISCLOSURE STATEMENT: "The user understands that the Department of Education, its agents and sub-contractors have signed up to meet the requirements of the "PRIVACY ACT of 1974" (as amended). As such, by entering this system, the user hereby verifies that he/she has read the "PRIVACY ACT of 1974" (as amended), that the user understands the requirements of the act, and that the user has no remaining unanswered questions."

The National Recoveries, Inc. will not further disclose the information except as defined by the System of Records Notice in the interest of the U.S. Government and the Department of Education. National Recoveries, Inc. company privacy policy also restricts the sharing of information.

6. How will the information be secured?

NDCS has been secured at the physical security, operating system, database, and network infrastructure levels. The network complies with the security controls and procedures described in the Federal Information Security Management Act (FISMA), National Institute of Standards and Technology (NIST) Special Publications, and Federal Information Processing Standards (FIPS). Please refer to the NDCS System Security Plan for the specific Management, Operational, and Technical security controls deployed on the system. The System Security Plan details how the following security control families are implemented on the system:

- **Risk assessment**
- **Planning**
- **System and services acquisition**
- **Certification, accreditation, and security assessments**
- **Personnel security**
- **Physical and environmental security**
- **Contingency planning**
- **Configuration management**
- **Maintenance**
- **System and information integrity**
- **Media protection**
- **Incident response**
- **Awareness and training**
- **Identification and authentication**
- **Access control**
- **Audit and accountability**
- **System and communications protection.**

Some specific security controls in place include:

- Operating systems and infrastructure devices are hardened in accordance with NIST moderate confidentiality controls.

- Vulnerability scans are conducted periodically to ensure supporting systems and all applications are at the highest state of security and are patched accordingly.

- Intrusion detection systems are in place to spot any malicious activity

• Least privilege policy is practiced throughout the organization.

In addition, NRI identifies authorized users of the information system and specifies access rights/privileges. NRI grants access to the information system based on: (i) a valid need-to-know that is determined by assigned official duties and satisfying all personnel security criteria; and (ii) intended system usage. NRI requires proper identification for requests to establish information system accounts and approves all such requests. The organization specifically authorizes and monitors the use of guest/anonymous accounts and removes, disables, or otherwise secures unnecessary accounts. NDCS ensures that account managers are notified when information system users are terminated or transferred and associated accounts are removed, disabled, or otherwise secured. Account managers are also notified when users' information system usage or need to-know changes.

7. Is a system of records being created or updated with the collection of this information?

A "System of Records" was created for the Common Services for Borrowers (CSB) Contract. National Recoveries, Inc. is working under this "System of Records."

The "System of Records" was published in the Federal Register (Volume 71, Number 14/Monday, January 23, 2006/Notices).