Financial Management Service
Privacy Impact Assessment

Date: April 21, 2009
A/C Area: Payment Management
Application: PACER On-Line (with Digital Check Imaging) (POL)

A. SYSTEM APPLICATION/GENERAL INFORMATION:

1) Generally describe the information in the system that is identifiable to individuals.

a. Is the information about individual members of the public?

(If **YES**, a PIA must be submitted with the OMB Exhibit 300, and with the IT Security Certification & Accreditation documentation).

Yes. There is information used to make federal government payments to a person that may include name, address, amounts and banking account information.

b. Is the information about employees? (If **YES** and there is no information about members of the public, the PIA is required for the FMS IT Security Certification & Accreditation process, but is not required to be submitted with the OMB Exhibit 300 documentation).

Yes. Employees may be included.

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

PACER On-Line (POL) functions as an on-line shared database that supports the Financial Management Service Regional Financial Centers' (RFC) accounting and claim processes. The application provides daily check reconciliation, daily electronic fund transfer reconciliation, daily accounting balancing and cancellation information. POL on-line functions include: Inquire on payment information, Submit claim requests, Request, display, print check images, Submit and retrieve accounting information. POL batch functions include processing: Claim requests files, Accounting files; Electronic fund transfer returns files, Check return files, Payment data files. POL reports and forms include: Daily check reconciliation, Daily electronic fund transfer reconciliation, Daily accounting balancing and Cancellation information.

The Digital Check Imaging (DCI) module allows users to request, retrieve, view, and print all digitized U.S. Department of the Treasury (Treasury) checks that have been processed by the Federal Reserve Banks (FRB) and have been captured and archived by the Federal Reserve System (FRS). The RFCs also use DCI to scan reclamation documentation in support of POL claims and accounting processing. In addition, the system is used to match images with Claims Documentation.

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[1] "Identifiable Form" - According to the OMB Memo M-03-22, this means information in an IT system or online collection: (i) that directly identifies an individual (e.g., name, address, social security number or other identifying number or code, telephone number, email address, etc.) or (ii) by which an agency intends to identify specific individuals in conjunction with other data elements, i.e., indirect identification. (These data elements may include a combination of gender, race, birth date, geographic indicator, and other descriptors).

PACER houses all payment data received from the RFCs. Current back to 1997.

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

- 31 USC 3325

- Chapter 4000 Section 15 of the Federal Reserve Act, adopted December 23, 1913, as amended (12 U.S.C. 391), and Section 10 of the Act of June 11, 1942, as amended (12 U.S.C. 265) authorizes the Secretary of the Treasury to set forth regulations to FRBs. In addition, Treasury is authorized by 31 CFR 240.3 to decline payment on any Treasury check bearing forged or unauthorized endorsements. Title X of the Competitive Equality Banking Act of 1987, Public Law No. 100 –86 authorizes Treasury to limit the payability and claimability of checks drawn on the Treasury

- The Treasury Financial Manual (TFM)

  1. Volume II Chapter 4 - 3000 – Processing of Paid Treasury Checks
  2. Volume II Chapter 4 – 4000 – Reclamations/Declination Procedures - Delineates the procedures to be followed and forms to be used by the Federal Reserve Banks (FRBs) and their branches for making deposits for reclamations processed by the Treasury
  3. Volume II Chapter 4 – 4100 – Treasury Check Offset - FMS must reclaim funds and collect check reclamation debts from financial institutions that have presented forged or improperly negotiated Treasury checks for payment. The Treasury Check Offset (TCO), a statutory debt collection tool, enables FMS to expedite the collection of debts delinquent over 120 days from presenting Financial Institutions

- Public Law 100-86, Competitive Equality Banking Act of 1987, Title X- Authorizes Treasury to limit the pay ability and claim ability of checks drawn on the Treasury.

B. DATA in the SYSTEM:

1) **Categories of individuals covered in the system**

   Check all that apply:
   x_ **Employees**
   x_**Contractors**
   x_ **Taxpayers[1]**
   x_**Others** (payees/recipients of US Government payments)

2) **Identify the sources of information in the system**

   Check all that apply:
   __**Employee**
   __**Public**
   x_**Federal agencies**
   __**State and local agencies**
   __**Third party sources**

   a. **What Federal agencies are providing data for use in the system?**
   All Federal Program Agencies (FPA) for which FMS provides disbursing services (i.e., almost every Federal agency), submit data to the Regional Financial Centers. Also the Federal Reserve System provides the various images.

   b. **What State and local agencies are providing data for use in the system?**
   None

   c. **From what other third party sources will data be collected?**
   None

   d. **What information will be collected from the employee and the public?**
   Employee – None
   Public – None

3) **Accuracy, Timeliness, and Reliability**
   a. **How will data collected from sources other than FMS records be verified for accuracy?**
   There is no data collected from sources other than FMS. Payment data comes only from RFCs. Each RFC is responsible for the accuracy of the payment

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[1] This information is used when submitting a narrative statement to OMB and Congress for new and major amendments to Privacy Act SORs. This information is also used in the notice. If the system already has a Privacy Act SORN, then the response to the question should reflect the information already in the narrative and notice.

data submitted, not PACER. PACER receives Check detail and Status information, cashed or not cashed, from the Treasury Check Information System (TCIS). FMS maintains no files as to entitlement for any recipient of a payment FMS issues at the request of a FPA.

b. How will data be checked for completeness?
Other than enforcing file format edits, PACER does not and cannot check the data for completeness. FMS payment applications that create the files for PACER have validated the data for completeness to make a payment.
The DCI customer will verify that the digitized check image requested contains the correct name, amount, check symbol serial number, signature and various bank stamps on the back of the digitized check image. However, this only occurs when a claim has been placed and is being researched.

c. What steps or procedures are taken to ensure the data is current and not out-of-date?
PACER receives payment information files every day from the Regional Financial Centers with current data. PACER compares the check ranges to ensure all data is in sync. Reports are generated if any data is missing. Support personnel notify the RFCs if daily files are not received. Check image and payment data is not out of date because it is for the latest payments issued and received data daily from RFCs. We do not depend on FPAs.

d. In what document(s) are the data elements described in detail?
The Computer Program Specification Series (CPSS) is a database of specifications that describe and outline the data elements of various file formats processed by PACER. There is a CPSS for Social Security files, Veterans Administration (VA) files, Office of Personnel Management (OPM) files, Railroad Retirement Board (RRB) files, Federal Salary files, Treasury Check Information System (TCIS) status files and any other payment data file used by PACER. Each payment application formats a file called the Optical Disk file as specified in the CPSS that describes the data elements in detail. A file called TCIS status file is created concerning checks once they are issued through being cashed, with various status (issued, cashed) and other data elements as described in the CPSS.

C. ATTRIBUTES OF THE DATA:

1) **How is the use of the data both relevant and necessary to the purpose for which the system is being designed?**
PACER was designed to perform accounting, claims and cancellations against payments issued through the Regional Financial Centers. The detailed payment data is essential to be able to perform those functions. In addition it allows users to view details of the payments that their agency has requested so they may perform claims and inquiry processes. DCI allows them to view images of negotiated checks for the same purpose.

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

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

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

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

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

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

8) **How will the data be retrieved?** If personal identifiers are used to retrieve information on the individual, explain and list the identifiers that will be used to retrieve data.
Payment data can be retrieved from the PACER database by a payment identifier of the payee or at the individual payment detail level, check or EFT.
Digital check images and supporting documentation are requested by an authorized user via PACER module. The images are ordered from the Federal Reserve System and are downloaded to the DCI database.

9) **What kinds of reports can be produced on individuals? What will be the use of these reports? Who will have access to them?**
All payment data is collected at the detail level, however the system is not designed to generate reports on the payment data of individuals. By accessing PACER on-line, an authorized user can view individual payment records back to 1997. Access is restricted by FPA (i.e., a user can only view data for the Agency Location Code (ALC) for which they are authorized). No reports are produced on individuals.

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 can individuals grant consent.)**

N/A – All data is passed directly from the RFCs to PACER.
Individuals are not involved because information on a payment comes to PACER from the Financial Centers that work with the Federal agencies. Individual involvement is at the agency level.

D. MAINTENANCE AND ADMINISTRATIVE CONTROLS:

1) **What are the retention periods of data in this system? How long will the reports produced be kept?**

Data is retained in PACER from October 1997 to current, where it is maintained indefinitely. Reports go to an archival and retrieval system that stores computer output such as reports. The normal retention period for reports is 12 months.

2) **What are the procedures for disposition of the data at the end of the retention period? Where is the disposition procedures documented?**

As indicated above, all payment data in PACER is maintained indefinitely. Check images are purged after 60 days. The number of days can be increased or decreased at the discretion of FMS management. PACER has a legal requirement to retain scanned documents for an indefinite period of time.

3) **Under which Privacy Act Systems of Records Notice (SORN) does the system operate? Provide number and name.**

.002 Payment Issue Records for Regular Recurring Benefit Payments
.010 Records of Accountable Officers' Authority with Treasury
.016 Payment Records for Other than Regular Recurring Benefit Payments

4) **If the system is being modified, will the SORN require amendment or revision? Explain.**

N/A

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

All users run the same version of the application. FMS configuration management procedures permit only one version to be in production at any given time.

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

No

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

N/A

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

No

9) **What kinds of information are collected as a function of the monitoring of individuals?**
N/A

10) **What controls will be used to prevent unauthorized monitoring?**
N/A

E. ACCESS TO DATA:

1) **Who will have access to the data in the system?**
   Check all that apply:

   x_ Contractors (Production support personnel)
   x_ Users
   x_ Managers
   x_ System administrators
   __ System developers
   x_ Others (explain) Production support personnel

2) **How is access to the data by a user determined?** Are criteria, procedures, controls, and responsibilities regarding access documented?
Access request forms are required to gain access to PACER. They are documented in databases controlled by FMS. Each FPA end user is programmatically restricted to view and process data only for his/her own agency as specified by the agency. Access is strictly on a need to know basis. All users at a given FPA can view specific payment data for that FPA. FMS users at Regional Financial Centers can view payment data for all FPAs serviced by them.

A user with access to PACER will also have access to DCI modules although the agency determines who can view check images. Criteria, procedures, controls and responsibilities regarding access are documented in the PACER System Security Plan.

Criteria and controls are contained in PACER documentation. Procedures and responsibilities are contained in user manuals and PACER Rules of Behavior. These Rules of Behavior must be accepted yearly or the user cannot access POL.

3) **Will users have access to all data on the system or will the user's access be restricted? Explain.**
PACER users are restricted to only the functions they need for the performance of their duties. For example, regular users cannot access the system audit logs. User level of access is authorized and reviewed to ensure that the user access does not exceed position requirements. External users are further restricted to only see the

data that they have issued. Therefore, Social Security Administration user can not see Internal Revenue Service data.

The user's access to DCI data is restricted. A user will only be allowed to access digitized check images and supporting check documentation based on their Agency Location Code and ones their agency authorizes them for.

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

Controls in place to prevent the misuse or unauthorized use of data by those having access include:

- The principle of least privilege is applied restricting access for need-to know
- FMS limits the number of login attempts by a user during specific time limits
- Access enforcement includes individual accountability and audit trails where passwords are associated with a user ID that is assigned to a single individual
- Access Control Lists are reviewed regularly to identify and remove users who have left the organization or whose duties no longer require access to the application. The regularity depends on the type of user. POL has monthly, quarterly, semi-annually and annually recertification of users and reviews. Daily notifications are sent out for action when an access needs to be removed.

The PACER Rules of Behavior are a primary source of information to identify the various controls in place. They clearly delineate responsibilities and expected behavior of all individuals with access to the system. The rules also state the consequences of inconsistent behavior or noncompliance. FMS has also established a baseline set of FMS Rules of Behavior all users must read and acknowledge before they are granted access to the application.

In addition, all legitimate users must access PACER using their assigned Logon ID. All PACER users must be added to Staff user tables by a System Administrator. As explained previously, FPAs are responsible for determining all entitlement to payments they certify. Therefore, PACER grants all users from a given FPA (ALC) access to data for that ALC unless requested differently.

5) **If contractors are/will be involved with the design, development or maintenance of the system were Privacy Act contract clauses inserted in their contracts and were other regulatory measures addressed?**

Yes, standard Privacy Act clauses are included in the contract.

6) **Do other systems share data or have access to the data in the system?**
   x_yes
   __no
   If yes,
   a. Explain the interface.

PACER receives and passes data files to and from other FMS systems, but does not share a database with other internal FMS systems, or external agencies.

The application interfaces with the following applications:

- *Government Online Accounting Link System II* (GOALS II)/CITRIX receives accounting data
- *Government Wide Accounting* (GWA) receives and acknowledges agency accounting data
- *Payment Automation Manager (PAM)* sends & receives payment data and acknowledgements
- *PAY.GOV* receives cancellation information
- *R O Payments System* sends and receives payment data
- *STAR* sends the Agency Location Code Master and receives the accounting data
- *Treasury Offset Control System (TCS)* receives and sends payment data and cancellation information
- *Treasury Check Issue System* (TCIS) sends and receives payment data files
- *Federal Reserve Banks* (FRB) sends payment data files and image status updates
- *Treasury Disbursing Offices* (TDO) sends and receives accounting data
- *Non-Treasury Disbursing Office* (NTDO) sends on-line claims
- *Federal Program Agencies* (FPA) check & ACH claims queries and responses

b. Identify who will be responsible for protecting the privacy rights of the public and employees affected by the interface.
FMS Business Owner

7) Will other agencies share data or have access to the data in this system?
x_yes
__no

If yes,
a. Check all that apply:

x_Federal
__State
__ Local
__Other (explain) _____

b. Explain how the data will be used by the other agency.
FPAs submit data to RFCs who submit data to PACER. Each FPA has access to its own data. No State, Local, or Other agency shares the data or has access to it.

c. Identify who is responsible for assuring proper use of the data.
PACER Business Owner