PRIVACY IMPACT ASSESSMENT (PIA)

For the

Over the Counter Channel Application (OTCNET) v1.5/2.0/Web
Department of the Navy - NAVSUP

SECTION 1: IS A PIA REQUIRED?

a. Will this Department of Defense (DoD) information system or electronic collection of information (referred to as an "electronic collection" for the purpose of this form) collect, maintain, use, and/or disseminate PII about members of the public, Federal personnel, contractors or foreign nationals employed at U.S. military facilities internationally? Choose one option from the choices below. (Choose (3) for foreign nationals).

☐ (1) Yes, from members of the general public.

☐ (2) Yes, from Federal personnel* and/or Federal contractors.

☒ (3) Yes, from both members of the general public and Federal personnel and/or Federal contractors.

☐ (4) No

* "Federal personnel" are referred to in the DoD IT Portfolio Repository (DITPR) as "Federal employees."

b. If "No," ensure that DITPR or the authoritative database that updates DITPR is annotated for the reason(s) why a PIA is not required. If the DoD information system or electronic collection is not in DITPR, ensure that the reason(s) are recorded in appropriate documentation.

c. If "Yes," then a PIA is required. Proceed to Section 2.

SECTION 2: PIA SUMMARY INFORMATION

a. Why is this PIA being created or updated? Choose one:

☐ **New DoD Information System** ☐ **New Electronic Collection**

☒ **Existing DoD Information System** ☐ **Existing Electronic Collection**

☐ **Significantly Modified DoD Information System**

b. Is this DoD information system registered in the DITPR or the DoD Secret Internet Protocol Router Network (SIPRNET) IT Registry?

☒ **Yes, DITPR** Enter DITPR System Identification Number: DADMS ID: 93649 (Offline); 88539 (Online)

☐ **Yes, SIPRNET** Enter SIPRNET Identification Number:

☐ **No**

c. Does this DoD information system have an IT investment Unique Project Identifier (UPI), required by section 53 of Office of Management and Budget (OMB) Circular A-11?

☐ **Yes** ☒ **No**

If "Yes," enter UPI

If unsure, consult the Component IT Budget Point of Contact to obtain the UPI.

d. Does this DoD information system or electronic collection require a Privacy Act System of Records Notice (SORN)?

A Privacy Act SORN is required if the information system or electronic collection contains information about U.S. citizens or lawful permanent U.S. residents that is retrieved by name or other unique identifier. PIA and Privacy Act SORN information should be consistent.

☒ **Yes** ☐ **No**

If "Yes," enter Privacy Act SORN Identifier T7906 - Automated Disbursing System

DoD Component-assigned designator, not the Federal Register number.
Consult the Component Privacy Office for additional information or
access DoD Privacy Act SORNs at: http://www.defenselink.mil/privacy/notices/

or

Date of submission for approval to Defense Privacy Office
Consult the Component Privacy Office for this date.

e. Does this DoD information system or electronic collection have an OMB Control Number?
Contact the Component Information Management Control Officer or DoD Clearance Officer for this information.

This number indicates OMB approval to collect data from 10 or more members of the public in a 12-month period regardless of form or format.

☒ **Yes**

Enter OMB Control Number

Enter Expiration Date

☒ **No**

f. Authority to collect information. A Federal law, Executive Order of the President (EO), or DoD requirement must authorize the collection and maintenance of a system of records.

(1) If this system has a Privacy Act SORN, the authorities in this PIA and the existing Privacy Act SORN should be the same.

(2) Cite the authority for this DoD information system or electronic collection to collect, use, maintain and/or disseminate PII. (If multiple authorities are cited, provide all that apply.)

(a) Whenever possible, cite the specific provisions of the statute and/or EO that authorizes the operation of the system and the collection of PII.

(b) If a specific statute or EO does not exist, determine if an indirect statutory authority can be cited. An indirect authority may be cited if the authority requires the operation or administration of a program, the execution of which will require the collection and maintenance of a system of records.

(c) DoD Components can use their general statutory grants of authority ("internal housekeeping") as the primary authority. The requirement, directive, or instruction implementing the statute within the DoD Component should be identified.

SORN T7906 - Automated Disbursing System:

5 U.S.C. 301, Departmental Regulations
Department of Defense Financial Management Regulation (DoDFMR) 7000.14-R, Volume 5, Chapter 20
31 U.S.C. Sections 3511, 3512,and 3513
E.O. 9397 (SSN), as amended.

Other authorities:

Executive Order 9397
31 CFR 210
Title 31 U.S.C. 321 (Authority of Secretary of the Treasury)
Title 31 U.S.C. 3321 (Designation of disbursing officials)
Title 31 U.S.C 3342, (Check cashing and accommodation exchange).
Title 31 U.S.C. 3720 (Collection of Payments)
Title 31 U.S.C. 7701 (Taxpayer Identifying Number)

g. Summary of DoD information system or electronic collection. Answers to these questions should be consistent with security guidelines for release of information to the public.

(1) Describe the purpose of this DoD information system or electronic collection and briefly describe the types of personal information about individuals collected in the system.

OTCnet is an automated US Treasury application that calculates and records negotiable instrument transactions and assist Disbursing Officers in complying with treasury mandated disbursing regulations and generally accepted fiscal management policies. A component of the Over the Counter Channel Application (OTCnet) is the process of converting paper checks presented to agencies into electronic ACH (Automated Clearing House) debits or to image documents that are cleared through the Check 21 network. The process works as Point of Sale (POS) when the consumer presents a physical check to the operator for payment. The operator takes the completed check and inserts it into the OTCnet Point of Sale scanner that reads the MICR (Magnetic Ink Character Recognition) line on the bottom of the check and captures the image of the check. This can be processed through the OTCnet application either online or offline. The check image is then forwarded and stored for 7 years in a central database called the Central Image Research Archive (CIRA). When processing in 'Person (Customer) Present' mode, the operator returns the cancelled check to the consumer on the spot with the transaction information. The check is stamped "Electronically Processed" either by hand or by the scanner to prevent the check writer from representing the check. The financial information captured from the MICR line is transmitted to OTCnet. The transaction is processed through either the ACH network or the Check 21 network, depending on the initial agency set up. The Federal Reserve Bank of Cleveland (FRBC) makes the Collection Information Repository (CIR) entries and provides the deposit ticket and debit voucher for agency retrieval through OTCnet.

Personal information collected: Name, SSN, Home Telephone Number, Mailing/Home Address, Financial Information: MICR Line on check, ABA Routing Number, Bank Account Number; Other: DD 2761 kept in local file to facilitate collection in case of dishonored check, and collection action must be pursued. Disbursing Officers are agents of the US Treasury, in order to perform disbursing/collection activities, they need to be able to identify a member using a social security number this facilitates the ability to resolve any debts resulting from a dishonored check. Identification and Data Matching - Disbursing Officers utilize DS01 transaction through DJMS (military pay system) to enable collections for dishonored checks.)

(2) Briefly describe the privacy risks associated with the PII collected and how these risks are addressed to safeguard privacy.

Disclosure of PII required IAW Disbursing Officers official duties and governed by DoD FMR Policies. All fiscal information is secured in controlled areas (disbursing spaces, safe). Sensitive data, including PII, is encrypted in the local database.

h. With whom will the PII be shared through data exchange, both within your DoD Component and outside your Component (e.g., other DoD Components, Federal Agencies)? Indicate all that apply.

☒ **Within the DoD Component.**

Specify. Navy Disbursing Officers, Disbursing personnel

☒ **Other DoD Components.**

Specify. Defense Finance and Accounting Service (DFAS)

☒ **Other Federal Agencies.**

Specify. Federal Reserve Bank (Cleveland)

☐ **State and Local Agencies.**

Specify.

☒ **Contractor** (Enter name and describe the language in the contract that safeguards PII.)

Specify. Citigroup (production data access restrictions, Treasury Folder and non-disclosure agreement signatures are required/implemented for all Treasury contractors) Treasury Fiscal Service Financial Agent (Citigroup)

☐ **Other** (e.g., commercial providers, colleges).

Specify.

i. Do individuals have the opportunity to object to the collection of their PII?

☒ **Yes** ☐ **No**

(1) If "Yes," describe method by which individuals can object to the collection of PII.

Disclosure is voluntary; however, failure to provide the requested information may result in refusal to cash personal checks.

(2) If "No," state the reason why individuals cannot object.

j. Do individuals have the opportunity to consent to the specific uses of their PII?

☒ **Yes** ☐ **No**

(1) If "Yes," describe the method by which individuals can give or withhold their consent.

DD FORM 2761 - Personal Check Cashing Agreement includes a Privacy Act Statement, which indicates, Principal Purposes, Routine Uses, and Disclosure. The customer consents to the specific use of PII by signing the DD Form 2761.

(2) If "No," state the reason why individuals cannot give or withhold their consent.

k. What information is provided to an individual when asked to provide PII data? Indicate all that apply.

- ☒ **Privacy Act Statement**
- ☐ **Privacy Advisory**
- ☐ **Other**
- ☐ **None**

Describe each applicable format.

DD Form 2761 Personal Check Cashing Agreement, Posted Signage in Disbursing Office, CO's written authorization.

NOTE:

Sections 1 and 2 above are to be posted to the Component's Web site. Posting of these Sections indicates that the PIA has been reviewed to ensure that appropriate safeguards are in place to protect privacy.

A Component may restrict the publication of Sections 1 and/or 2 if they contain information that would reveal sensitive information or raise security concerns.