



The Bureau of the Fiscal Service

Privacy Impact Assessment

The mission of the Bureau of the Fiscal Service (Fiscal Service) is to promote the financial integrity and operational efficiency of the federal government through exceptional accounting, financing, collections, payments, and shared services.

This Privacy Impact Assessment is a Public document and will be made available to the general public via the Fiscal Service Privacy Impact Assessment (PIA) webpage (shown below).

Fiscal Service - Privacy Impact Assessments (PIA):
http://www.fiscal.treasury.gov/fsreports/rpt/fspia/fs_pia.htm

Name of System: Registered Accounts System II (REGII)

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SYSTEM GENERAL INFORMATION:

1) System Overview: Describe the purpose of the system.

The Registered Accounts System II (REGII) maintains all account and ownership data on past and present registered Treasury securities. The system processes registered securities issue information and updates its databases with names, addresses, and identifying data about the securities. REGII is used to generate interest, check files, and report interest earnings information to investors and the Internal Revenue Service.

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

Treasury/BPD.003 – United States Securities (Other than Savings-Type Securities)-
Treasury/BPD.

3) If the system is being modified, will the SORN require amendment or revision?
No.

4) Does this system contain any personal information about individuals?
Yes.

a. Is the information about members of the public?

Yes.

b. Is the information about employees or contractors?

Yes.

5) What legal authority authorizes the purchase or development of this system?

5 U.S.C.301; 31 U.S.C. 3101, *et seq.*

DATA in the SYSTEM:

1) Identify the category of individuals in the system

Check all that apply:

Employees

Contractors

- Taxpayers**
 Others (describe)

2) Identify the sources of information in the system

Check all that apply:

- Employee**
 Public
 Federal agencies
 State and local agencies
 Third party

a. What information will be collected from employees or contractors?

Employees and contractors may own Treasury marketable securities. The same information will be collected from employees and contractors as is collected from the public. See Section b. below for a detailed listing of the information collected.

b. What information will be collected from the public?

Issuance: Records relating to subscriptions, advices of shipment, and correspondence concerning erroneous issues and nonreceipt of securities.

- Name of Registered Owner, or Secondary Owner(s), or Beneficial Owner(s)
- Taxpayer Identification Number (TIN) of the Registered Owner, or Secondary Owner(s), or Beneficial Owner(s)
- Inscription Address.

Holdings: Records of ownership and interest activity on registered or recorded United States securities (other than savings-type securities), correspondence concerning errors in registration or recordation, nonreceipt or over- and underpayments of interest and principal, records of interest activity, records of unclaimed accounts, and letters concerning the New York State tax exemption of veterans of World War I.

Transactions (redemptions, payments, reissues, transfers, and exchanges): Records which include securities transaction requests; records about fees for definitive securities issued; legal papers supporting transactions; applications for transfer, disposition, or payment of securities of deceased or incompetent owners; records of Federal estate tax transactions; certificates of ownership covering paid overdue bearer securities; records of erroneous redemption transactions; records of retired securities; and payment records.

Claims: Records including correspondence concerning lost, stolen, destroyed, mutilated United States securities (other than savings-type securities); legal documents supports claims for relief; and records of caveats entered.

Inquiries: Records of correspondence with individuals who have requested

information concerning United States Treasury securities (other than savings-type securities).

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

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d. What state and local agencies are providing data for use in the system?

None.

e. From what other third-party sources will data be collected?

None.

3) Accuracy, Timeliness, and Reliability

a. How will data collected from sources, other than Fiscal Service records, be verified for accuracy?

The certifying officer must require the person presenting a bond, or appropriate Fiscal Service transaction form, to establish his or her identity in accordance with Department of the Treasury instructions and identification guidelines.

b. How will data be checked for completeness?

The REGII system will edit each field to see that the data has the correct type and number characters and is in the correct format.

c. What steps or procedures are taken to ensure the data is current?

System edits checks are applied to ensure data is current. Processing errors in the system involving incorrect information are handled quickly. When account holders call customer service, key data elements are reviewed with the customer and fields are updated as needed.

d. In what document(s) are the data elements described in detail?

The REGII Database Specifications manual lists data elements, field types, and sizes.

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?

Information in this system of records is collected and maintained to enable Fiscal Service to issue definitive registered securities, to process transactions, to make payment, and to identify owners and their accounts.

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

Yes. Data collected will be used to document ownership, status, payment date, inscription information, nonreceipt or over- payments of interest and principal. Data is stored on paper, microfiche, microfilm, or electronic media.

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

Yes, The data is placed in an existing file system with information on the individual (e.g., taxpayer identification numbers, inscription address, etc.).

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

No. New data is required to update an individual's records of issuance, holdings, transactions, or claims.

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

System edits are applied to ensure data is current. Processing errors in the system involving incorrect information are handled quickly. When account holders call customer service, key data elements are reviewed with the customer and fields are updated as needed

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

Data is not being consolidated.

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

The system possesses multiple layers of protection for the personal information contained. This infrastructure utilizes perimeter security firewalls, access control lists, and secure communication.

All Fiscal Service employees are required to take annual training on the security and protection of PII.

The application employs the principle of least privilege, allowing only authorized accesses that further protect the databases containing this information. All operational support personnel receive and acknowledge rules of behavior that provide instructions regarding protection of personal information.

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

- 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.)**

Data can be retrieved in a number of ways using a personal identifier. Information can be retrieved alphabetically by name, address, and period of time the security was issued, by bond serial numbers, other assigned identifier, or, in some cases, numerically by taxpayer identification number (social security number or employer identification number). In the case of securities registered in more than one name, information relating thereto can be retrieved only by the names, or, in some cases, the taxpayer identification number of the registrants, primarily the registered owners or first-named co-owners. In the case of gift bonds inscribed with the taxpayer identification number of the purchaser, bonds are retrieved under that number or by bond serial number.

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

Most system reports are generated for summary accounting and audit verification of transactions processed in the system. Account history and security history are maintained within the system.

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

Fiscal Service forms that customers are requested to complete include the Privacy Act statement which states "The purpose of requesting the information is to enable the Bureau of the Fiscal Service and its agents to issue securities, process transactions, make payments, identify owners and their accounts, and provide reports to the Internal Revenue Service. Furnishing the information is voluntary; however, without the information, the Fiscal Service may be unable to process transactions." By completing and signing the forms, customers are granting consent.

MAINTENANCE AND ADMINISTRATIVE CONTROLS:

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

Records of holdings, forms, documents and other legal papers which constitute the basis for transactions subsequent to original issue are maintained for such time as is necessary to protect the legal rights and interests of the United States Government

and the person affected or otherwise until they are no longer historically significant.

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

Other records are disposed of at varying intervals in accordance with records retention schedules reviewed, approved, and documented by the National Archives and Records Administration (NARA). Paper, microfilm, or microfiche records ready for disposal are destroyed by shredding or maceration. Records in electronic media are electronically erased using accepted techniques.

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

The system is maintained at Fiscal Service's facility and at our off-site backup facility. Fiscal Service uses remote copy technology for data replication to our backup facility.

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

No.

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

Not applicable – REGII system does not use any technology at the bureau/office that has not previously been employed. Safeguards are in place to allow users of the REGII system to only have access to the data they need to perform their job duties. The public does not have access to the REGII system.

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

Yes. Information in this system of records is collected and maintained to enable Fiscal Service to issue definitive registered securities, to process transactions, to make payments, and to identify owners and their accounts.

7) What kind of information is collected as a function of the monitoring of individuals?

Information in this system of records is collected and maintained to enable Fiscal Service to issue definitive registered securities, to process transactions, to make payments, and to identify owners and their accounts. Information collected includes: Name of Registered Owner, Secondary Owner(s) or Beneficial Owners, Taxpayer Identification Number (TIN) of the Registered Owner, Secondary Owner, or Secondary Owner(s), Inscription Address.

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

Information is contained in secure buildings or in areas which are occupied either by

officers and responsible employees of Fiscal Service, or by agents of Fiscal Service who are required to maintain proper control over records while in their custody. These officers and responsible employees are subject to personnel screening procedures and to the Treasury Department Code of Conduct. Additionally, since in most cases numerous steps are involved in the retrieval process, an unauthorized person would be unable to retrieve information in meaningful form. Information stored in electronic media is safeguarded by automatic data processing security procedures in addition to physical security measures. For those categories of records stored in computers with online terminal access, the information cannot be accessed without proper passwords and preauthorized functional capability.

ACCESS TO DATA:

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

Check all that apply:

- Contractors**
- Users** _____
- Managers**
- System Administrators**
- System Developers**
- Others (explain):**

The primary users of data in the system are Fiscal Service employees.

These records may be disclosed to:

- Agents or contractors of the Department for the purpose of administering the fiscal responsibilities of the United States
- Next-of-kin, voluntary guardian, legal representative or successor in interest of a deceased or incapacitated owner of securities and others entitled to upon transfer, exchange, distribution, or payment for the purpose of assuring equitable and lawful disposition of securities and interest
- Any of the owners if the related securities are registered or recorded in the names of two or more owners
- The Internal Revenue Service (IRS) for the purpose of facilitating collection of the tax revenues of the United States
- The Department of Justice in connection with lawsuits to which the Department of the Treasury is a party to trustees in bankruptcy for the purpose of carrying out their duties
- The Department of Veterans Affairs when it relates to the holdings of Armed Forces Leave Bonds to facilitate the redemption or disposition of these securities
- Other Federal agencies to effect salary or administrative offset for the purpose of collecting debts
- A consumer reporting agency, including mailing addresses obtained from the IRS to obtain credit reports
- A debt collection agency, including mailing addresses obtained from the IRS, for debt collection services

- Contractors conducting Treasury-sponsored surveys, polls, or statistical analyses relating to the marketing or administration of the Fiscal Service of the United States
- Appropriate Federal, State, local, or foreign agencies responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license
- A court, magistrate, or administrative tribunal in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil discovery, litigation, or settlement negotiations or in connection with criminal law proceedings or in response to a subpoena
- A Congressional office in response to an inquiry made at the request of the individual to whom the record pertains

These records may also be:

- Disclosed through computer matching, information on individuals owing debts to Fiscal Service to other Federal agencies for the purpose of determining whether the debtor is a Federal employee or retiree receiving payments which may be used to collect the debt through administrative or salary offset
- Disclosed through computer matching information on holdings of Treasury securities to requesting Federal agencies under approved agreements limiting the information to that which is relevant in making a determination of eligibility for Federal benefits administered by those agencies.
- Disclosed through computer matching, information on individuals with whom Fiscal Service has lost contact, to other Federal agencies for the purpose of utilizing letter-forwarding services to advise these individuals that they should contact the Bureau about returned payments and/or matured unredeemed securities.

2) How is access to the data by a user determined? Are criteria, procedures, controls, and responsibilities regarding access documented?

Access to the data follows the principles of least privilege and need to know. The system uses role-based access to ensure employees can only process and view data needed to complete their jobs. Separation of duty is enforced to ensure no individual has access to perform both entry and approval within the system.

Fiscal Service maintains documented procedures concerning controls and responsibilities regarding access.

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

User access is restricted. Safeguards are in place to only allow users of the system to have access to the data they need to perform their job duties.

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.)

- Security Plan
- Risk Management Plan
- System Assessment and Authorization process
- Security Matrix
- Rules of Behavior
- Mandatory Periodic training in Computer Security Awareness
- Checks and balances through Role-based access
- Audit Trails/Logs
- Continuous Monitoring process

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?

Contractors are not involved with the maintenance of the system.

6) Do other systems share data or have access to the data in the system?

Yes.

If yes,

a. Explain the interface.

REGII provides the following files:

- accounting files to the Fiscal Service Accounting and Payments Application (APA)
- payment files to Fiscal Service Accounting and Payments Application
- 1099 tax information to Kansas City for printing of the 1099s and to the IRS for tax reporting
- 1042-S foreign tax information to IRIS
- matured unredeemed security files to Treasury Hunt.

REGII receives the following files:

- accounting files from the Fiscal Service Summary Debt Accounting System (SDAS).
- return payment files from APA.

b. Identify the role responsible for protecting the privacy rights of the public and employees affected by the interface.

All Fiscal Service employees who have access to information in a Privacy Act system have some responsibility for protecting personal information covered by the Privacy Act. The information owner, system manager, and ultimately the Fiscal Service's Chief Information Officer have the responsibility to see that the data is protected from all threats.

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

Yes.

If yes,

a. Check all that apply:

- Federal**
- State**
- Local**
- Other (explain) _____**

b. Explain how the data will be used by the other agencies.

Fiscal Service transmits tax-reporting data to IRS.

c. Identify the role responsible for assuring proper use of the data.

All Fiscal Service employees who have access to the system, the system manager, system owner, and ultimately Fiscal Service Chief Information Officer are responsible for assuring the proper use of data in the system.