



Registered Accounts System II (REGII)

Privacy Impact Assessment (PIA)

March 23, 2012

System Information

Name of System, Project or Program: Registered Accounts System II (REGII)

OMB Unique Identifier: 015-35-01-14-02-1011-00-402-124

Contact Information

1. Who is the person completing this document? (Name, title, organization, phone, email, address).

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2. Who is the system owner? (Authorizing Official Name, title, organization, phone, email, address).

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3. Who is the system manager? (ISSO Name, title, organization, phone, email, address).

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System Application/General Information

1. Does this system contain any information in identifiable form?

Yes.

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

Information in this system of records is collected and maintained to enable the Bureau of the Public Debt (BPD) and its agents to issue United States securities (other than savings-type securities), to process transactions, to make payments, and to identify owners and their accounts.

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

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

4. Under which Privacy Act SORN does the system operate? (Provide the system name and unique system identifier.)

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

Data in the System

1. What categories of individuals are covered in the system?

Present and former owners of, subscribers to, claimants to, persons entitled to, and inquirers concerning United States Treasury securities (except savings-type securities) and interest thereon and such securities for which the Treasury acts as agent including, but not limited to, Treasury Bonds, Notes, and Bills, Adjusted Service Bonds; Armed Forces Leave Bonds; and Federal Housing Administration Debentures.

2. What are the sources of the information in the system?

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

Individual.

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

- Bureau of the Public Debt
- Federal Reserve Bank of Philadelphia.

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

None.

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

None.

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

Issuance: Records relating to subscriptions, advices of shipment, and correspondence concerning erroneous issue 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).

3. Accuracy, Timelines, and Reliability

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

The authorizing official must require the person presenting a security, or appropriate BPD transaction form, to establish his or her identity in accordance with Department of 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. Is the data current? What steps or procedures are taken to ensure the data is current and not out-of-date? Name the document (e.g., data models.)

Yes. System edits are applied to ensure data is current. Processing errors in the system involving incorrect information are handled quickly.

d. Are the data elements described in detail and documented? If yes, what is the name of the document?

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

Attributes of the Data

1. Is the use of the data both relevant and necessary to the purpose for which the system is being designated?

Yes. Information in this system of records is collected and maintained to enable BPD 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, and how will this be maintained and filed?

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

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

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

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

Yes. New data will 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.

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

REGII data is contained in secure buildings and processing environment. Employees or agents of BPD are subject to the Treasury Department Code of Conduct and must undergo periodic personnel screening procedures.

Numerous steps are involved in the data retrieval process; unauthorized persons would be unable to retrieve information in a meaningful form. Information stored in electronic media is safeguarded by automatic data processing security procedures in addition to physical security measures.

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

Yes. Security controls are reviewed annually. Every three years REGII undergoes a full certification and accreditation following NIST SP 800-37 guidelines.

During the three-year cycle, security controls are reviewed and tested annually. If the system undergoes a change that would impact security then a full new certification and accreditation would be completed.

8. How will the data be retrieved? Does a personal identifier retrieve the data? If yes, explain and list the identifiers that will be used to retrieve information on the individual.

Data can be retrieved in a number of ways using a personal identifier. Information can be retrieved by bond serial number or by taxpayer identification number (social security number or employer identification 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 are produced based on records of correspondence with individuals who have requested information concerning securities (other than savings-type securities) and/or interest thereon. Only those employees who have been preauthorized for the inquiry functional capabilities can access the reports.

Maintenance and Administrative Controls

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

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

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

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.

- 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?**

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.

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

No.

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

Not applicable – REGII system does not use any technology at the bureau/office has not previously 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 BPD to issue definitive registered securities, to process transactions, to make payments, and to identify owners and their accounts.

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

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

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 BPD who are subject to personnel screening procedures and to the Treasury Department Code of Conduct or by agents of BPD who are required to maintain proper control over records while in their custody. 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.

9. Under which Privacy Act SORN does the system operate? Provide number and name.

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

10. If the system is being modified, will the Privacy Act SORN require amendment or revision? Explain.

The existing Privacy Act system of records, which covers this system, was not substantially revised.

Access to Data

1. Who will have access to the data in the system? (e.g., contractors, users, managers, system administrators, developers, others.)

The primary users of data in the system are BPD employees.

These records may be disclosed to:

- a. Agents or contractors of the Department for the purpose of administering the BPD of the United States
- b. 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
- c. Any of the owners if the related securities are registered or recorded in the names of two or more owners
- d. The Internal Revenue Service (IRS) for the purpose of facilitating collection of the tax revenues of the United States
- e. 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
- f. The Veterans Administration when it relates to the holdings of Armed Forces leave Bonds to facilitate the redemption or disposition of these securities
- g. Other Federal agencies to effect salary or administrative offset for the purpose of collecting debts
- h. A consumer reporting agency, including mailing addresses obtained from the IRS to obtain credit reports
- i. A debt collection agency, including mailing addresses obtained from the IRS, for debt collection services
- j. Contractors conducting Treasury-sponsored surveys, polls, or statistical analyses relating to the marketing or administration of the BPD of the United States
- k. 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
- l. 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
- m. A Congressional office in response to an inquiry made at the request of the individual to whom the record pertains
- n. Disclose through computer matching, information on individuals owing debts to BPD 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

o. Disclose 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.

p. Disclose through computer matching, information on individuals with whom BPD 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?

Information is contained in secure buildings or in areas which are occupied either by officers and responsible employees of BPD who are subject to personnel screening procedures and to the Treasury Department Code of Conduct or by agents of BPD who are required to maintain proper control over records while in their custody. 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. BPD 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?) (list processes and training materials.)

- Security Plan
- Certification and Accreditation Process
- Security Matrix
- Internal System Access Template
- Rules of Behavior
- Mandatory periodic training in Computer Security Awareness
- Continuous Monitoring Process

5. Are contractors involved with the design and development of the system and will they be involved with the maintenance of the system? If yes, were Privacy Act contract clauses inserted in their contracts and other statutory and 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? If yes, explain.

Yes.

REGII provides the following files:

- accounting files to the BPD Accounting and Reporting System (PARS)
- payment files to Legacy Treasury Direct Check Office
- tax files to Legacy Treasury Direct and IRS
- matured unredeemed security files to Treasury Hunt.

REGII receives the following files:

- accounting files from the BPD Accounting and Reporting System (PARS)
- return payment files from Legacy Treasury Direct Check Office.

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

All BPD 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 BPD's Chief Information Officer has the responsibility to see that the data is protected from all threats.

8. Will other agencies share data or have access to the data in this system (e.g. Federal, State, Local, and Others)?

- FRB Philadelphia
- Internal Revenue Service (IRS)

9. How will the data be used by the other agency?

BPD payment files and tax statement files are transmitted to Legacy Treasury Direct® – FRB Philadelphia for processing. Return payment files are also received from Legacy Treasury Direct. BPD transmits tax-reporting data to IRS.

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

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

The BPD Disclosure Officer is responsible for administering requests for system data submitted to BPD involving the Privacy Act. BPD fully complies with the provisions of the Freedom of Information Act (FOIA), Title 5 U.S.C. Section 552, and the Privacy Act, Title 5 U.S.C Section 552a. BPD provides an established procedure to solicit requests to review and correct information recorded, and we have a dedicated Disclosure Officer who manages and administers the program.