DEFENSE FINANCE AND ACCOUNTING SERVICE

DEFENSE DEBT MANAGEMENT SYSTEM (DDMS)

IT Investment Unique Identifier
007-97-01-01-02-0579-00

PRIVACY IMPACT ASSESSMENT (PIA)

Point of Contact

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Prepared by

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PRIVACY IMPACT ASSESSMENT

1. Department of Defense Component. Defense Finance and Accounting Service

2. System Title. Defense Debt Management System (DDMS)

3. Budget System Identification Number. 0579

4. System Identification Number(s) (IT Registry/Defense IT Portfolio Repository (DITPR)). DITPR ID No. 32

5. IT Investment (OMB Circular A-11) Unique Identifier (if applicable). 007-97-01-01-02-0579-00

6. Privacy Act System of Records Notice Identifier (if applicable). T-7332

7. OMB Information Collection Requirement Number (if applicable) and Expiration Date. DD Form 2789, *Waiver/Remission of Indebtedness Application,* OMB No. 0730-0009. OMB approval expires November 30, 2008.

8. Type of authority to collect information (statutory or otherwise).
   The authority is statutory to collect the privacy act information from specific debtors who owe monies to the United States.

   5 U.S.C. 301, Departmental Regulations, 5512, 5513, 5514, and 5584; 10 U.S.C. 1442, 1453, 2774, 2775, 9835; 31 U.S.C. 3325, 3342, 3526, 3701, 3702, 3711, 3716-3718; 32 U.S.C. 710, 716; 37 U.S.C. 1007(c); 40 U.S.C. 721, 723, 725, 726, 727, 728, 729; the Debt Collection Act of 1982 (Pub.L. 97-365, as amended by Pub.L. 104-134, the Debt Collection Improvement Act of 1996); Pub.L. 89-508; E.O. 9397 (SSN); and DoD 7000.14-R, Department of Defense Financial Management Regulation, Volume 5, Part Two.

9. Provide a brief summary or overview of the IT system (activity/purpose, present life cycle phase, system owner, system boundaries and interconnections, location of system and components, and system backup).

   a. Activity/Purpose.
      Individuals who are indebted to a Department of Defense (DoD) agency that have transferred debts to the Defense Debt Management System are serviced by the Defense Finance and Accounting Service. The system generates demand letters identifying the delinquent debt and requesting payment for monies owed the United States Treasury. EXCLUSION: This system does not include individuals who are indebted to a DoD agency and who have been identified as currently receiving pay from DoD such as Active Duty military, Reserves, Guard Retired, or DoD civilian employees.

b. Present Life Cycle Phase.
Operational and Support – Modernization/Enhancement

c. System Owner.
The owner of DDMS is the Defense Accounting and Finance Service organization. Systems Manager is [redacted], DFAS-HTSBCB/DE 6760 East Irvington Place, Denver, CO 80279-2000, telephone (303) 676-7372, e-mail [redacted]

d. System boundaries and interconnections.
DDMS has interconnections with the Defense Joint Military Pay System (DJMS) Active Component , DJMS Reserve Component, and Marine Corp Total Force System (MTFS). DDMS is processed on an IBM mainframe hosted at Defense Information System Agency (DISA), Defense Enterprise Computing Center (DECC), Mechanicsburg, PA.

e. System Location and Components.
DISA, DECC Mechanicsburg, PA performs computer support for DDMS. DDMS users are located throughout the DFAS network with the primary users belonging to Debt and Claims Management Directorate located at DFAS, Denver, Colorado.

f. System Backup.
DISA through a service level agreement (SLA) is responsible for DDMS software programs and data backup. The SLA identifies assured computing as a backup method where the DDMS data is copied and stored at another DISA location, providing a restoration point for the system.

10. Describe what information in identifiable form will be collected and the nature and source of the information (e.g., names, Social Security Numbers, gender, race, other component IT systems, IT systems from agencies outside DoD, etc.)

a. Information in Identifiable Form
The debt records may include name, Social Security Number, mailing address, original debt principal and the delinquent amount, basis of the debt, date debt arose, late payment charges, office referring the debt, collection efforts, credit reports, collection letters, due process notice, and records of e-mail, telephone, or written correspondence to or from the debtor relating to the debt.

b. DFAS IT systems:
DJMS Active component, DJMS Reserve component, and Marine Corp Total Force System

c. DoD Component IT systems N/A

d. IT systems from agencies outside DoD
Department of Treasury, and 4 commercial credit bureaus.

11. Describe how the information will be collected (e.g. via the Web, via paper-based collection, etc.)

DDMS receives interface files from DJMS Active and Reserve components, and MCTFS which contain the debtors name, type of debt and the amount of debt. Less than 15 percent of debts are paper based referrals from any DoD field components or DoD civilian pay entity.

12. Describe the requirement and why the information in identifiable form is to be collected (e.g., to discharge a statutory mandate, to execute a Component program, etc.)

The requirement to collect debts owed to the government is legislative and is a statutory mandate. In order to identify the debtor the military pay systems utilize the debtor's SSN as a means to identify the correct individual because there are multiple individuals with the same name.

13. Describe how the information in identifiable form will be used (e.g., to verify existing data, etc.)

The debt information received from interface partners will be used to generate debt demand letters to the debtor, and track the progress of the debt repayment. Also, the identifiable information is used to post collections to the individuals debt account to liquidate the debt.

14. Describe whether the system derives or creates new data about individuals through aggregation.

The DFAS interface partners can send more than one debt to DDMS for collection. The individual debts are not summarized. DDMS does not generate new information, rather it records and reports debt information received from its interface partners.

15. Describe with whom the information in identifiable form will be shared, both within the Component and outside the Component (e.g., other DoD Components, Federal agencies, etc.).

The debt data will be shared with the Internal Revenue Services for 1099 purposes as well as the Department of Treasury to participate in the Treasury Offset Program which is the Treasury's collection tool to recover debts owed to the US government. Additionally the individual debts are shared with the source

systems, i.e., DJMS Active and Reserve components and MCTFS. Information may also be shared with law enforcement as identified in the Privacy Act systems notice. Another potential scenario is a credit bureau (See #20. b.).

16. Describe any opportunities individuals will have to object to the collection of information in identifiable form about themselves or to consent to the specific uses of the information in identifiable form. Where consent is to be obtained, describe the process regarding how the individual is to grant consent.

DDMS published a Privacy Act system notice in the Federal Register, and at that time the public was given the opportunity to object to the collection and use of personal information for debt collection purposes. The PA systems notice also provided information on the process of how individual debtors' personal information would be stored, shared, and secured to recover debts owed to the U.S. Government. The debt demand letter sent to a debtor advises and provides the individual with procedures to follow if the debtor objects to the debt. The DD Form 2789, *Waiver/Remission of Indebtedness Application*, contains a Privacy Act Statement that informs the debtor that providing the personal information is voluntary, but necessary to process their waiver/ remission request.

17. Describe any information that is provided to an individual, and the format of such information (Privacy Act Statement, Privacy Advisory) as well as the means of deliver (e.g., written, electronic, etc.), regarding the determination to collect the information in identifiable form.

Debt demand letters are sent to the individual debtors via written correspondence. The debt demand letters contain a Privacy Act Advisory. The DD Form 2789 used for Waivers and Remissions has a Privacy Act Statement on the form for the debtor to review. These are both sent to the debtor via hardcopy. Also when the member first provides his or her name, SSN and other personal information when entering the military, they are provided a Privacy Act Statement on the forms used to collect this data. They are advised that it is voluntary to provide the information, unless a statute has made it mandatory that they provide the personal information.

18. Describe the administrative/business, physical, and technical processes and controls adopted to secure, protect, and preserve the confidentiality of the information in identifiable form.

Records are maintained on computer disks, magnetic tape, microfiche, and paper file folders. Information is retrieved by name, Taxpayer Identification Number, other identification number or system identifier, or name of accountable disbursing office in whose custody the public funds were entrusted when the debt arose. Records are accessed by the custodian of the record system and by personnel responsible for servicing the record system in performance of their

official duties. Records are stored in locked cabinets or rooms, or in guarded buildings.

The system utilizes secure socket layer (SSL) technology through its emulation program to secure the personal data. Debt data sent to credit bureaus utilizes various encryption products when the debt data is sent electronically or via a courier.

19. Identify whether the IT system or collection of information will require a System of Records(SOR) notice as defined by the Privacy Act of 1974, and as implemented by DoD Directive 5400.11-R, "DoD Privacy Program," August 1983. If so, and a SOR notice has been published in the Federal Register, the Privacy Act System of Records Identifier must be listed in question 6 above. If not yet published, state when publication of the Notice will occur.

SOR Notice has been published, see item 6 above. System notice identifier number is T-7332, (June 27, 2002, 67 FR 43292).

20 a. Describe/evaluate any potential privacy risks regarding the collection, use, and sharing of the information in identifiable form.

The potential privacy risk regarding the collection, use, and sharing of the information in DDMS is that the DDMS system relies on the interface partners (DJMS-AC, DJMS-RC, and MCTFS) to have in place good safeguards and controls which will prevent accidental disclosure of privacy act information. Two mitigation strategies are a) the data files themselves are transferred over encrypted modes of transmission, and b) the shear size of the files do not lend themselves to be transported on portable devices.

b. Describe/evaluate any privacy risks in providing individuals an opportunity to object/consent or in notifying individuals.

One of the risks in notification of individuals of indebtedness through the US mail in an incorrect address. A majority of the debtors are former military members who are extremely mobile with frequent address changes. To mitigate improper addresses we obtain addresses from the Department of Treasury as well a contract with a credit bureau to obtain current addresses to try and make sure the notification letter is sent to the appropriate address. These debt letters are not forwarded if the member has moved, they are returned to DFAS.

c. Describe/evaluate further any risks posed by the adopted security measures. DISA, DECC Mechanicsburg, provides periodic security penetration testing to access the ability to break into the DDMS. In addition, periodically all system user accounts are suspended, and require supervisor validation when re-instating the disabled user account. This ensures that only those individuals who have a need to know the information have access to DDMS.

21. State classification of information/system and whether the PIA should be published or not. If not, provide rationale. If a PIA is planned for publication, state whether it will be published in full or summary form.

The information in this PIA is unclassified and the PIA may be published in full.

SIGNATURE PAGE FOR /DDMS PIA

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