

Privacy Impact Assessment Miscellaneous Income (MINC)

Office of Chief Financial Officer for Financial Management Services (OCFO-FMS)

- Version: 2.1
- Date: April 2019
- Prepared for: USDA OCFO-FMS





Privacy Impact Assessment for MINC

April 12, 2019

Contact Point

Linda Connolly
Director of OCFO/FMS/TISD
Office of the Chief Financial Officer for Financial Management
Services (OCFO-FMS)
United States Department of Agriculture
(202) 674-9137

Reviewing Official

Stanley McMichael
System Owner
Office of the Chief Financial Officer for Financial Management
Services (OCFO-FMS)
United States Department of Agriculture
(202) 720-0564

Abstract

ACFO-FMS MINC is a web-based financial management software application used by USDA to calculate, process, manage and report on all the Department's financial transactions (i.e., payments) associated with the reporting of 1099 data to taxpayers and the Internal Revenue Service (IRS). These transactions include the reporting of payments for interest, grants and miscellaneous income. The application provides assurance of compliance with agency and federal regulations, automated and accurate calculations, and comprehensive reporting.

A privacy threshold analysis was conducted as part of the initial security assessment of MINC and it was determined that the system collects PII. For this reason, a PIA needs to be completed.

Overview

The United States Department of Agriculture (USDA), Office of the Chief Financial Officer for Financial Management Services (OCFO-FMS) is implementing MINC to calculate, process, manage and report on all the Department's financial transactions (i.e., payments) associated with the reporting of 1099 data to taxpayers and the IRS. The MINC application aggregates 1099 data from four sources (i.e., Financial Management Modernization Initiative (FMMI), Statement of Earnings and Leave (EARN), Special Payroll Processing System (SPPS), and US Bank) throughout the calendar year and generates reportable 1099 forms (i.e., amounts over \$600) that are sent to the taxpayer and a corresponding file containing that information that is sent to the IRS. Corrections are also recorded and reported throughout the year, with a correction file sent to IRS at mid-year (i.e., August). The MINC application manages 1099 information and produces 1099 forms to provide to taxpayers and files to provide to the IRS for tax reporting purposes.

Section 1.0 Characterization of the Information

The following questions are intended to define the scope of the information requested and/or collected as well as reasons for its collection as part of the program, system, rule, or technology being developed.

1.1 What information is collected, used, disseminated, or maintained in the system?

ACFO-FMS does not collect information from individuals. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI, SPPS and US Bank). The information received and maintained will include: contractor or vendor's full name, address; social security number; tax identification number; and financial data (credit card numbers, bank account numbers, etc.).

1.2 What are the sources of the information in the system?

The contractor and/or vendor information within the system is obtained from feeder systems i.e., EARN, FMMI, SPPS and US Bank.

1.3 Why is the information being collected, used, disseminated, or maintained?

MINC aggregates 1099 data from four sources (i.e., EARN, FMMI, SPPS and US Bank) throughout the calendar year and generates reportable 1099 forms (i.e., amounts over \$600) that are sent to the taxpayer and a corresponding file containing that information that is sent to the IRS. Corrections are also recorded and reported throughout the year, with a correction file sent to IRS at mid-year (i.e., August). Reporting to the IRS must occur for any contractor and/or vendor who has been paid at least \$600 in a calendar year.

1.4 How is the information collected?

MINC aggregates 1099 data from four sources (i.e., EARN, FMMI, SPPS and US Bank) throughout the calendar year and generates reportable 1099 forms (i.e., amounts over \$600) that are sent to the taxpayer and a corresponding file containing that information that is sent to the IRS. Corrections are also recorded and reported throughout the year, with a correction file sent to IRS at mid-year (i.e., August). MINC manages 1099 information and produces 1099 forms to provide to taxpayers and files to provide to the IRS for tax reporting purposes.

1.5 How will the information be checked for accuracy?

It is the sole responsibility of the contractor and/or vendor using the system to ensure the information obtained is correct and accurate.

1.6 What specific legal authorities, arrangements, and/or agreements defined the collection of information?

MINC does not directly collect information from contractors and/or vendors. It is the responsibility of the owners of the feeder systems (i.e., EARN, FMMI, SPPS and US Bank) to provide the specific legal authorities, arrangements and/or agreements that define the collection of information. The Social Security Act and Internal Revenue Services (Treasury) are the legal authorities that require and use the information.

1.7 Privacy Impact Analysis: Given the amount and type of data collected, discuss the privacy risks identified and how they were mitigated.

Unauthorized disclosure of contractor and/or vendor information, as identified in Section 1.1 above, was the primary privacy risk identified in the PTA. ACFO-FMS is responsible for protecting the privacy rights of the contractors, vendors or other persons identified in MINC as required by applicable State and Federal laws. Specific mitigation activities are:

- All access to the data in the system is controlled by formal authorization on a business need-to-know basis. Each individual’s supervisor must identify (authorize) what functional roles that individual needs in the MINC system.
- Access to MINC is controlled by the USDA eAuthentication system and/or USDA VPN.
- The application database in which information is stored is encrypted. Data is encrypted at rest, files on the server are encrypted and data is encrypted during transport.
- All users receive formal system training and are required to sign rules of behavior on an annual basis as part of the USDA mandatory information system security awareness training.

Section 2.0 Uses of the Information

The following questions are intended to delineate clearly the use of information and the accuracy of the data being used.

2.1 Describe all the uses of information.

MINC aggregates 1099 data (e.g., social security number, tax identification number, etc.) from feeder systems (i.e., EARN, FMMI, SPPS and US Bank) throughout the calendar year and generates reportable 1099 forms (i.e., amounts over \$600) that are sent to the taxpayer and a corresponding file containing that information that is sent to the IRS. Corrections are also recorded and reported throughout the year, with a correction file sent to IRS at mid-year (i.e., August). Reporting to the IRS must occur for any contractor and/or vendor who has been paid at least \$600 in a calendar year.

2.2 What types of tools are used to analyze data and what type of data may be produced?

N/A

2.3 If the system uses commercial or publicly available data please explain why and how it is used.

N/A

2.4 Privacy Impact Analysis: Describe any types of controls that may be in place to ensure that information is handled in accordance with the above described uses.

- Privacy rights of the employees and other persons will be protected by USDA ACFO-FMS management. MINC has security controls to address access/security of information.
- All access to the data in the system is controlled by formal authorization on a business need-to-know basis. Each individual’s supervisor must identify (authorize) what functional roles that individual needs in the MINC application.
- All requests for access to the system are verified by user identification and authentication. Users must have a government-issued login and password that is controlled and managed.
- Detailed reports with personally identifiable information will be marked with an appropriate sensitivity classification.
- All users receive basic security awareness training and are required to sign rules of behavior before being given access to the system. Additionally, all users receive basic security awareness refresher training and sign rules of behavior on an annual basis.

Section 3.0 Retention

The following questions are intended to outline how long information will be retained after the initial collection.

3.1 How long is information retained?

Information is retained in compliance with NARA retention guidelines for Wage and Tax Statements. The agency copies of the 1099 is destroyed after four years, but longer retention is authorized if required for business use. (See NARA General Records Schedule: Employee Compensation and Benefits Records)

3.2 Has the retention period been approved by the component records officer and the National Archives and Records Administration (NARA)?

The retention period has been approved by the component records officer and NARA.

3.3 Privacy Impact Analysis: Please discuss the risks associated with the length of time data is retained and how those risks are mitigated.

Longer period of data retention can impose the risk of data being stolen, loss of data integrity and confidentiality. ACFO-FMS has implemented security controls (e.g.,

access control policies and procedures) to protect information. Users who need access to the data must be granted access by an authorized individual and will apply the appropriate access procedures to their eAuthentication ID. In addition, users are required to undergo security awareness training and sign a rules of behavior document before access is granted to the system.

Section 4.0 Internal Sharing and Disclosure

The following questions are intended to define the scope of sharing within the United States Department of Agriculture.

4.1 With which internal organization(s) is the information shared, what information is shared and for what purpose?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) but does not share the information with any internal organization.

4.2 How is the information transmitted or disclosed?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) but does not share the information with any internal organization.

4.3 Privacy Impact Analysis: Considering the extent of internal information sharing, discuss the privacy risks associated with the sharing and how they were mitigated.

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) but does not share the information with any internal organization.

Section 5.0 External Sharing and Disclosure

The following questions are intended to define the content, scope, and authority for information sharing external to USDA which includes Federal, state and local government, and the private sector.

5.1 With which external organization(s) is the information shared, what information is shared, and for what purpose?

Financial and PII data is shared with the following organizations, for the purpose of accurate accounting transactions:

- Department of the Treasury, for monetary disbursements
- Internal Revenue Service, for tax reporting and collection.
- Office of Management and Budget, for USDA financial reporting.

5.2 Is the sharing of personally identifiable information outside the Department compatible with the original collection? If so, is it covered by an appropriate routine use in a SORN? If so, please describe. If not, please describe under what legal mechanism the program or system is allowed to share the personally identifiable information outside of USDA.

External sharing of PII data is compatible with the original collection. MINC does not require a SORN as PII is not directly entered into the application, but received from EARN, FMMI, SPPS and US Bank. Routine uses of the information is covered under SORN OCFO – 10, Financial Systems.

5.3 How is the information shared outside the Department and what security measures safeguard its transmission?

Information is shared almost exclusively via secured electronic file transfer. All interconnections are safeguarded through security measures defined within established Memorandum of Understanding and/or Interconnection Security Agreements. Security controls applied to system interconnections are regularly assessed to verify and validate that security protections are operating as intended.

5.4 Privacy Impact Analysis: Given the external sharing, explain the privacy risks identified and describe how they were mitigated.

Unauthorized disclosure of contractor and/or vendor information, as identified in Section 1.1 above, is the primary privacy risk to information shared externally outside the Department. This risk has been mitigated for USDA-initiated sharing through technical and procedural information security controls levied on external holders and through the use of NDAs, ISAs, MOUs and other agreements.

Section 6.0 Notice

The following questions are directed at notice to the individual of the scope of information collected, the right to consent to uses of said information, and the right to decline to provide information.

6.1 Does this system require a SORN and if so, please provide SORN name and URL.

The published SORN OCFO-10 describes the uses of the MINC system data.

6.2 Was notice provided to the individual prior to collection of information?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals.

6.3 Do individuals have the opportunity and/or right to decline to provide information?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals.

6.4 Do individuals have the right to consent to particular uses of the information? If so, how does the individual exercise the right?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals.

6.5 Privacy Impact Analysis: Describe how notice is provided to individuals, and how the risks associated with individuals being unaware of the collection are mitigated.

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals.

Section 7.0 Access, Redress and Correction

The following questions are directed at an individual's ability to ensure the accuracy of the information collected about them.

7.1 What are the procedures that allow individuals to gain access to their information?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals. Individuals will need to contact the owners of the aforementioned systems to ensure the accuracy of the information collected about them. Any update(s) to the information within these systems will also be reflected within MINC when it receives updated 1099 data from the feeder systems.

7.2 What are the procedures for correcting inaccurate or erroneous information?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals. Individuals will need to contact the owners of the aforementioned systems to ensure the accuracy of the information collected about them. Any update(s) to the information within these

systems will also be reflected within MINC when it receives updated 1099 data from the feeder systems.

7.3 How are individuals notified of the procedures for correcting their information?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals. Individuals will need to contact the owners of the aforementioned systems to ensure the accuracy of the information collected about them. Any update(s) to the information within these systems will also be reflected within MINC when it receives updated 1099 data from the feeder systems.

7.4 If no formal redress is provided, what alternatives are available to the individual?

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals. Individuals will need to contact the owners of the aforementioned systems to ensure the accuracy of the information collected about them. Any update(s) to the information within these systems will also be reflected within MINC when it receives updated 1099 data from the feeder systems.

7.5 Privacy Impact Analysis: Please discuss the privacy risks associated with the redress available to individuals and how those risks are mitigated.

Not applicable. MINC receives 1099 data from feeder systems (i.e., EARN, FMMI and SPPS) and does not directly collect information from individuals. Individuals will need to contact the owners of the aforementioned systems to ensure the accuracy of the information collected about them. Any update(s) to the information within these systems will also be reflected within MINC when it receives updated 1099 data from the feeder systems.

Section 8.0 Technical Access and Security

The following questions are intended to describe technical safeguards and security measures.

8.1 What procedures are in place to determine which users may access the system and are they documented?

ACFO-FMS authorizes access to the information system based on intended system usage. The ACFO-FMS specifies authorized users of the MINC system, role membership and access authorizations for each account by using role-based access

controls (RBAC) where each user is assigned a role based on their duties, responsibilities, and assignments. ACFO-FMS follows established Information System Security Program Management Handbook (ISSPMH) and USDA access control policy when creating, enabling, modifying, disabling, and removing MINC user accounts (upon request or after reviews). The required approvals are validated to be in place before requests are submitted to the ACFO-FMS ISSPM to establish accounts. The ACFO-FMS ISSPM grants user access to MINC based on completed AD-1143 forms which include authorization by a supervisor, role requested, and intended system usage.

8.2 Will Department contractors have access to the system?

Yes, there are USDA contractors that have access to MINC. These contractors are provided access only as needed to perform the requirements of a given contract.

8.3 Describe what privacy training is provided to users either generally or specifically relevant to the program or system?

All USDA employees, contractors and affiliates are required to complete annual IT security awareness training and must sign rules of behavior document before access can be granted to the system. The aforementioned training includes specific training regarding the protection of PII. Privileged users are required to take additional, more detailed security training commensurate with their access permissions.

8.4 Has Certification & Accreditation been completed for the system or systems supporting the program?

Security Assessment and Accreditation for MINC was completed in FY18.

8.5 What auditing measures and technical safeguards are in place to prevent misuse of data?

MINC is protected behind Virtustream firewall network defense system which continuously monitors suspicious activities. On behalf of ACFO-FMS, Virtustream tracks application transaction logging to provide, at a minimum, failed login attempts, unauthorized access, the capability to capture a copy of each transaction record to include changed data, and reflecting the user identification (ID) of the individual initiating or changing a record. The log is protected from unauthorized modification, destruction, and access by the limiting access rights to audit logs.

8.6 Privacy Impact Analysis: Given the sensitivity and scope of the information collected, as well as any information sharing conducted on the system, what privacy risks were identified and how do the security controls mitigate them?

Unauthorized disclosure of contractor and/or vendor information, as identified in Section 1.1 above, is the primary privacy risk to information shared externally outside the Department. This risk has been mitigated for USDA-initiated sharing through technical and procedural information security controls levied on external holders and through the use of NDAs, ISAs, MOUs and other agreements. In addition, MINC and Virtustream technical security controls are delineated in the current MINC System Security Plan. Furthermore, all USDA employees, contractors and affiliates accessing the system are cleared and trained annually on the proper handling and protection of PII.

Section 9.0 Technology

The following questions are directed at critically analyzing the selection process for any technologies utilized by the system, including system hardware and other technology.

9.1 What type of project is the program or system?

MINC is a major application that is used to calculate, process, manage and report on all the Department's financial transactions (i.e., payments) associated with the reporting of 1099 data to taxpayers and the IRS. It is currently in the Operations and Maintenance phase.

9.2 Does the project employ technology which may raise privacy concerns? If so please discuss their implementation.

No, the project does not employ technology which may raise privacy concerns.

Section 10.0 Third Party Websites/Applications

The following questions are directed at critically analyzing the privacy impact of using third party websites and/or applications.

10.1 Has the System Owner (SO) and/or Information Systems Security Program Manager (ISSPM) reviewed Office of Management and Budget (OMB) memorandums M-10-22 "Guidance for Online Use of Web Measurement and Customization Technology" and M-10-23 "Guidance for Agency Use of Third-Party Websites and Applications"?

Yes. The MINC System Owner and ISSPM have reviewed both OMB M-10-22 and M-10-23.

10.2 What is the specific purpose of the agency's use of 3rd party websites and/or applications?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.3 What personally identifiable information (PII) will become available through the agency’s use of 3rd party websites and/or applications.

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.4 How will the PII that becomes available through the agency’s use of 3rd party websites and/or applications be used?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.5 How will the PII that becomes available through the agency’s use of 3rd party websites and/or applications be maintained and secured?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.6 Is the PII that becomes available through the agency’s use of 3rd party websites and/or applications purged periodically?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.7 Who will have access to PII that becomes available through the agency’s use of 3rd party websites and/or applications?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.8 With whom will the PII that becomes available through the agency’s use of 3rd party websites and/or applications be shared - either internally or externally?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.9 Will the activities involving the PII that becomes available through the agency’s use of 3rd party websites and/or applications require either the creation or modification of a system of records notice (SORN)?

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications. MINC has a direct link to the feeder systems as it relates to contractor and/or vendor information.

10.10 Does the system use web measurement and customization technology?

No, MINC does not use web measurement and customization technology.

If so, is the system and procedures reviewed annually to demonstrate compliance to OMB M-10-23?

The system is currently in Operations and Maintenance phase. Nevertheless, the system and procedures will be reviewed annually to demonstrate compliance to OMB M-10-23.

10.11 Does the system allow users to either decline to opt-in or decide to opt-out of all uses of web measurement and customization technology?

Not applicable. MINC does not use web measurement and customization technology.

If so, does the agency provide the public with alternatives for acquiring comparable information and services?

10.12 Privacy Impact Analysis: Given the amount and type of PII that becomes available through the agency’s use of 3rd party websites and/or applications, discuss the privacy risks identified and how they were mitigated.

Not applicable. ACFO-FMS does not use 3rd party websites and/or applications.



Responsible Officials

Linda Connolly
Director, OCFO/FMS/TISD
Office of the Chief Financial Officer/Financial Management Services
United States Department of Agriculture

Date

Kenneth McDuffie
Director, OCFO/FMS/SSCD
Office of the Chief Financial Officer/Financial Management Services
United States Department of Agriculture

Date

Approval Signature

Stanley McMichael
Information System Owner
Office of the Chief Financial Officer/Financial Management Services
United States Department of Agriculture

Date