

U.S. Department of Housing and Urban Development

Office of Chief Financial Officer

Audit Resolution and Corrective Actions Tracking System (ARCATS) P136

Privacy Impact Assessment
Version 3.2013

July 26, 2013

DOCUMENT ENDORSEMENT

I have carefully assessed the Privacy Impact Assessment (PIA) for **[Insert Name of IT System and/ or Information Collection Request]**. This document has been completed in accordance with the requirement set forth by the [E-Government Act of 2002](#) and [OMB Memorandum 03-22](#) which requires that "Privacy Impact Assessments" (PIAs) be conducted for all new and/ or significantly altered IT Systems, and Information Collection Requests.

ENDORSEMENT SECTION

Please check the appropriate statement.

- The document is accepted.
 The document is accepted pending the changes noted.
 The document is not accepted.

Based on our authority and judgment, the data captured in this document is current and accurate.

/s/ Christopher B. Davies

Christopher B. Davies

Deputy Assistant Chief Financial Officer for Systems
Office of the Chief Financial Officer
U.S. Department of Housing and Urban Development

7/31/2013

Date

/s/ Nita Nigam

Nita Nigam

Acting Assistant Chief Financial Officer for Systems
Office of the Chief Financial Officer
U.S. Department of Housing and Urban Development

8/01/2013

Date

/s/ Simin D. Narins

Simin D. Narins

Director, Financial Systems Quality Assurance Division
Office of the Chief Financial Officer
U. S. Department of Housing and Urban Development

7/31/2013

Date

/s/ Donna Robinson-Staton

Donna Robinson-Staton

Departmental Privacy Act Officer
Office of the Chief Information Officer
U. S. Department of Housing and Urban Development

8/05/2013

Date

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**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PRIVACY IMPACT ASSESSMENT (PIA) FOR:
AUDIT RESOLUTION AND CORRECTIVE ACTIONS TRACKING SYSTEM
(ARCATS)**

**(for IT Systems: Not a Major System therefore an Exhibit
OMB 300 was not submitted to OMB
and PCAS #360690)**

July 26, 2013

NOTE: See Section 2 for PIA answers, and Section 3 for Privacy Act Officer's determination.

SECTION 1: BACKGROUND

Importance of Privacy Protection – Legislative Mandates:

HUD is responsible for ensuring the privacy and confidentiality of the information it collects on members of the public, beneficiaries of HUD programs, business partners, and its own employees. These people have a right to expect that HUD will collect, maintain, use, and disseminate identifiable personal information only as authorized by law and as necessary to carry out agency responsibilities.

The information HUD collects is protected by the following legislation and regulations:

- [Privacy Act of 1974, as amended](http://www.usdoj.gov/foia/privstat.htm) affords individuals the right to privacy in records that are maintained and used by Federal agencies. (See <http://www.usdoj.gov/foia/privstat.htm>; see also [HUD Handbook 1325.1 at www.hudclips.org](http://www.hudclips.org));
- Computer Matching and Privacy Protection Act of 1988 is an amendment to the Privacy Act that specifies the conditions under which private information may (or may not) be shared among government agencies. (See <http://www.usdoj.gov/foia/privstat.htm>);
- [Freedom of Information Act of 1966, as amended](http://www.usdoj.gov/oip/foia_updates/Vol_XVII_4/page2.htm) (http://www.usdoj.gov/oip/foia_updates/Vol_XVII_4/page2.htm) provides for the disclosure of information maintained by Federal agencies to the public, while allowing limited protections for privacy. See also [HUD's Freedom of Information Act Handbook \(HUD Handbook 1327.1 at www.hudclips.org\)](http://www.hudclips.org));
- [E-Government Act of 2002](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ347.107.pdf) requires Federal agencies to conduct Privacy Impact Assessments (PIAs) on its electronic systems. (See http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ347.107.pdf; see also the summary of the E-Government Act at http://www.whitehouse.gov/omb/egov/pres_state2.htm);
- [Federal Information Security Management Act of 2002](http://www.fis.gov) (which superseded the Computer Security Act of 1987) provides a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support

Federal operations and assets, etc. See also the codified version of Information Security regulations at [Title 44 U.S. Code chapter 35 subchapter II](http://uscode.house.gov/search/criteria.php) (<http://uscode.house.gov/search/criteria.php>); and

- [OMB Circular A-130, Management of Federal Information Resources, Appendix I](http://www.whitehouse.gov/omb/circulars/a130/appendix_i.pdf) (http://www.whitehouse.gov/omb/circulars/a130/appendix_i.pdf) defines Federal Agency responsibilities for maintaining records about individuals.

Access to personally identifiable information will be restricted to those staff that has a need to access the data to carry out their duties; and they will be held accountable for ensuring privacy and confidentiality of the data.

What is the Privacy Impact Assessment (PIA) Process?

The Privacy Impact Assessment (PIA) is a process that evaluates issues related to the privacy of personally identifiable information in electronic systems. See background on PIAs and the 7 questions that need to be answered, at: <http://www.hud.gov/offices/cio/privacy/pia/pia.cfm>. Personally identifiable information is defined as information that actually identifies an individual, e.g., name, address, social security number (SSN), or identifying number or code; or other personal/ sensitive information such as race, marital status, financial information, home telephone number, personal e-mail address, etc. Of particular concern is the combination of multiple identifying elements. For example, knowing name + SSN + birth date + financial information would pose more risk to privacy than just name + SSN alone.

The PIA:

- Identifies the type of personally identifiable information in the system (including any ability to combine multiple identifying elements on an individual);
- Identifies who has access to that information (whether full access or limited access rights); and
- Describes the administrative controls that ensure that only information that is necessary and relevant to HUD's mission is included.

Who Completes the PIA?

Both the program area System Owner and IT Project Leader work together to complete the PIA. The System Owner describes what personal data types are collected, how the data is used, and who has access to the personal data. The IT Project Leader describes whether technical implementation of the System Owner's requirements presents any risks to privacy, and what controls are in place to restrict access of personally identifiable information.

When is a Privacy Impact Assessment (PIA) Required?

1. **New Systems:** Any new system that will contain personal information on members of the public requires a PIA, per OMB requirements (this covers both major and non-major systems).

2. Existing Systems: Where there are significant modifications involving personal information on members of the public, or where significant changes been made to the system that may create a new privacy risk, a PIA is required.

3. Information Collection Requests, per the Paperwork Reduction Act (PRA): Agencies must obtain OMB approval for new information collections from ten or more members of the public. If the information collection is both a new collection and automated, then a PIA is required.

What are the Privacy Act Requirements?

Privacy Act. The [Privacy Act of 1974](http://www.usdoj.gov/foia/privstat.htm), as amended (<http://www.usdoj.gov/foia/privstat.htm>) requires that agencies publish a Federal Register Notice for public comment on any intended information collection. Privacy Act Systems of Records are created when information pertaining to an individual is collected and maintained by the Department, and is retrieved by the name of the individual or by some other identifying number, symbol, or other identifying particular assigned to an individual. The [E-Government Act of 2002](#) requires PIAs for electronic systems as well as information collection requests that are automated. So, there is a relationship between the new PIA requirement (when automation is involved) and the long-standing Privacy Act System of Records Notices (for both paper-based and automated records that are of a private nature). For additional information, contact the Departmental Privacy Act Officer in the Office of the Chief Information Officer.

Why is the PIA Summary Made Publicly Available?

The E-Government Act of 2002 requires that the analysis and determinations resulting from the PIA be made publicly available. The Privacy Advocate in HUD's Office of the Chief Information Officer (OCIO) is responsible for publishing the PIA summary on HUD's web site. See: <http://www.hud.gov/offices/cio/privacy/pia/pia.cfm>.

SECTION 2 – COMPLETING A PRIVACY IMPACT ASSESSMENT

Please submit answers to the Departmental Privacy Act Officer in the Office of the Chief Information Officer (OCIO). If any question does not apply, state Not Applicable (N/A) for that question, and briefly explain why it is not applicable.

Program Area: Office of the Chief Financial Officer / Audit Liaison Division

Subject Matter Expert in the Program Area: Kathryn Nicholson, Audit Liaison Division, Office of the Chief Financial Officer, HUD, (202) 402-3902

Program Area Manager: Larry McGhee, Director, Audit Liaison Division, Office of the Chief Financial Officer, HUD, (202) 402-3895

IT Project Leader: Harry Laggah, Office of the Chief Information Officer, HUD, (202) 402-6842

For IT Systems:

- **Name of system:** Audit Resolution and Corrective Action Tracking System (ARCATS/P136)
- **PCAS #:** 360690
- **System Code:** P136
- **Development Date:** 2-17-2000
- **Expected Production Date:** N/A

For Information Collection Requests:

- **Name of Information Collection Request:** N/A
- **OMB Control #:** N/A

Question 1: Provide a general description of the system that describes: The following questions are intended to define the scope of the information in the system (or information collection), specifically the nature of the information and the sources from which it is obtained.

- a. What is the personal information being collected?** The system contains the following information: name, social security number, birth date, home address, home telephone, e-mail address, race/ethnicity, gender, marital status, and spouse name, number of children, income/financial data, employment history, education level, medical history, and disability information.

The PII is contained in attachments only. The attachments may or may not have PII data in it.

- b. From whom is the information collected (i.e., government employees, contractors, or consultants)?** Information is collected from HUD employees and the Office of the Inspector General (OIG).

- c. **What is the functionality of the system and the purpose that the records and/or system serve?** ARCATS, the Departmental Audit Resolution and Corrective Action Tracking System is a Lotus Notes application utilized within the Department to track and monitor Audits and Recommendations issued by the Office of the Inspector General (OIG), the Government Accountability Office (GAO), and single audit act auditors. The System also serves as the principle electronic tool to journalize the resolution of audit recommendations.
- d. **How information is transmitted to and from the system?** HUD and OIG employees can input text or upload files directly into the system.
- e. **What are the interconnections with other systems?** N/A
- f. **What specific legal authorities, arrangement, and/or agreement authorize the collection of information (i.e. must include authorities that cover all information collection activities, including Social Security Numbers)?**
- Executive Order 9397, "Numbering System for Federal Accounts Relating to Individual Persons," 1943.
 - Executive Order 13478, "Amendments To Executive Order 9397 Relating To Federal Agency Use of Social Security Numbers," 2008.
 - The Housing and Community Development Act of 1987, 42 U.S.C.3543
 - Sec. 113 of the Budget and Accounting Act of 1951 (31 U.S.C.66a)
 - The Chief Financial Officers Act of 1990 (31 U.S.C. Sec. 501, et. Seq.)

Question 2: Type of electronic system or information collection?

	Yes	No
A. If a new electronic system (or one in development) (implemented after April 2003, the effective date of the E-Government Act of 2002)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the system require authentication?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the system browser-based?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the system external-facing (with external users that require authentication)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
B. If this is existing electronic system has the system undergone any changes (since April 17, 2003)? If an existing system, when was the system developed? 2/17/2000.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do the changes to the system involve a change in the type of records maintained, the individuals on whom records are maintained, or the use or dissemination of information from the system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes, please explain:		

C. For your new and/or existing electronic system, please indicate if any of the following changes have occurred: Mark any of the following conditions for your existing system that OMB defines as a “trigger” for requiring a PIA or PIA update (if not applicable, mark N/A):	
✓	Conversion: When paper-based records that contain personal information are converted to an electronic system
N/A	From Anonymous (Non-Identifiable) to “Non-Anonymous” (Personally Identifiable): When any systems application transforms an existing database or data collection so that previously anonymous data becomes personally identifiable
N/A	Significant System Management Changes: When new uses of an existing electronic system significantly change how personal information is managed in the system. (Example #1: when new “relational” databases could combine multiple identifying data elements to more easily identify an individual. Example #2: when a web portal extracts data elements from separate databases, and thereby creates a more open environment for exposure of personal data)
N/A	Merging Databases: When government databases are merged, centralized, matched, or otherwise significantly manipulated so that personal information becomes more accessible (with special concern for the ability to combine multiple identifying elements)
N/A	New Public Access: When <u>new</u> public access is given to members of the public or to business partners (even if the system is protected by password, digital certificate, or other user-authentication technology)
N/A	Commercial Sources: When agencies systematically incorporate into databases any personal data from commercial or public sources (ad hoc queries of such sources using existing technology does not trigger the need for a PIA)
N/A	New Inter-agency Uses: When agencies work together (such as the federal E-Gov initiatives), the lead agency should prepare the PIA
N/A	Business Process Re-engineering: When altering a business process results in significant new uses, disclosures, or additions of personal data
N/A	Alteration in Character of Data: When adding new personal data raises the risks to personal privacy (for example, adding financial information to an existing database that contains name and address)

D. If an Information Collection Request (ICR): Is this a <u>new</u> Request that will collect data that will be in an <u>automated</u> system? Agencies must obtain OMB approval for information collections from 10 or more members of the public. The E-Government Act of 2002 requires a PIA for ICRs only if the collection of information is a <u>new</u> request and the collected data will be in an <u>automated</u> system.	
	Yes, this is a new ICR and the data will be automated
	No, the ICR does not require a PIA because it is not <u>new</u> or <u>automated</u>)
✓	N/A

Question 3: Explain by Line of Business why the personally identifiable information being collected? How will it be used?

Mark any that apply:

Homeownership:

<input type="checkbox"/>	Credit checks (eligibility for loans)
<input type="checkbox"/>	Loan applications and case-binder files (via lenders) – including borrower SSNs, salary, employment, race, and other information
<input type="checkbox"/>	Loan servicing (MIP collections/refunds and debt servicing for defaulted loans assigned to HUD)
<input type="checkbox"/>	Loan default tracking
<input type="checkbox"/>	Issuing mortgage and loan insurance
<input type="checkbox"/>	Other (specify):
<input type="checkbox"/>	Comment:

Rental Housing Assistance:

<input type="checkbox"/>	Eligibility for rental assistance or other HUD program benefits
<input type="checkbox"/>	Characteristics on those receiving rental assistance (for example, race/ethnicity, # of children, age)
<input type="checkbox"/>	Property inspections
<input type="checkbox"/>	Other (specify):
<input type="checkbox"/>	Comment:

Grants:

<input type="checkbox"/>	Grant application scoring and selection – if any personal information on the grantee is included
<input type="checkbox"/>	Disbursement of funds to grantees – if any personal information is included
<input type="checkbox"/>	Other (specify):
<input type="checkbox"/>	Comment:

Fair Housing:

<input type="checkbox"/>	Housing discrimination complaints and resulting case files
<input type="checkbox"/>	Other (specify):
<input type="checkbox"/>	Comment:

Internal operations:

<input type="checkbox"/>	Employee payroll or personnel records
<input type="checkbox"/>	Payment for employee travel expenses
<input type="checkbox"/>	Payment for services or products (to contractors) – if any personal information on the payee is included
<input type="checkbox"/>	Computer security files – with personal information in the database, collected in order to grant user IDs
<input type="checkbox"/>	Other (specify):
<input type="checkbox"/>	Comment:

Other lines of business (specify uses):

<input checked="" type="checkbox"/>	Reference for the OIG/HUD in support of audit resolution. Electronic storage/paperless environment as mandated by the Paperwork Reduction Act.
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Question 4: Will you share the information with others? (e.g., another agency for a programmatic purpose, internal HUD application/module or outside the government) No.

Mark any that apply:

<input type="checkbox"/>	Federal agencies?
<input type="checkbox"/>	State, local, or tribal governments?
<input type="checkbox"/>	Public Housing Agencies (PHAs) or Section 8 property owners/agents?
<input type="checkbox"/>	FHA-approved lenders?
<input type="checkbox"/>	Credit bureaus?
<input type="checkbox"/>	Local and national organizations?
<input type="checkbox"/>	Non-profits?
<input type="checkbox"/>	Faith-based organizations?
<input type="checkbox"/>	Builders/ developers?
<input type="checkbox"/>	HUD module/application? (specify the module(s)/application(s) name)
<input type="checkbox"/>	Others? (specify):
<input checked="" type="checkbox"/>	N/A

Question 5: Can individuals “opt-out” by declining to provide personal information or by consenting only to particular use (e.g., allowing their financial information to be used for basic rent eligibility determination, but for not for sharing with other government agencies)?

<input type="checkbox"/>	Yes, they can “opt-out” by declining to provide private information or by consenting only to particular use.
<input checked="" type="checkbox"/>	No, they can’t “opt-out” – all personal information is required

If Yes, please explain the issues and circumstances of being able to opt-out (either for specific data elements or specific uses of the data):

Question 6: How will the privacy of the information be protected/ secured? What are the administrative and technological controls?

Mark any that apply and give details if requested:

✓	System users must log-in with a password (Please specify password type)
✓	<p>When an employee leaves:</p> <ul style="list-style-type: none"> • How soon is the user ID terminated? (1 day, 1 week, 1 month, unknown)? Users are removed from all HUD Systems as soon as the Office Technology Coordinator (OTC) is contacted to prepare “HUD Gone” which usually takes one day. • How do you know that the former employee no longer has access to your system? (explain your procedures or describe your plan to improve): If system access is disabled, the user will not be able to log on to HUD Domain.
✓	<p>Are access rights selectively granted, depending on duties and need-to-know? If Yes, specify the approximate # of authorized users who have either:</p> <ul style="list-style-type: none"> • Full access rights to all data in the system: Only Notes Administration and 2 Highland employees (contractors) have full access rights to all the data in the system. • Limited/restricted access rights to only selected data: Each attachment is limited to the action official, recommendation action official, program point of contact, audit liaison officer, relevant OIG staff, and other specifically identified HUD individuals specifically assigned to the recommendation the attachment is associated with.
✓	<p>Are disks, tapes, and printouts that contain personal information locked in cabinets when not in use? (explain your procedures, or describe your plan to improve): All Confidential information, disks, tapes and printouts containing personal information is stored in key-locked cabinets.</p>
	<p>If data from your system is shared with another system or data warehouse, who is responsible for protecting the privacy of data that came from your system but now resides in another? Explain the existing privacy protections, or your plans to improve:</p>
✓	<p>Other methods of protecting privacy (specify): Document Attachments containing sensitive, private information are marked private and are only accessible to personnel assigned to that particular recommendation or those specifically added to the read access control by the person entering the data into the system.</p>
	<p>Comment:</p>
<p>Privacy Impact Analysis: Given the access and security controls, what privacy risks were identified and describe how they were mitigated. There is a privacy risk in terms of the disclosure of sensitive information to unauthorized people. The risk of collecting/maintaining SSN and other PII is that it can be misused or disclosed for an unauthorized purpose. To mitigate this risk, access to the system is limited to those who have a business need to know. Users have limited access that is established based on their role. The data maintained in ARCATS has the appropriate administrative, technical, and physical safeguards to protect the information. Only personnel who require access to perform their official duties may access ARCATS attachments that are designated as containing PII information.</p>	

Question 7: If privacy information is involved, by what data element(s) is it retrieved from the system?

Mark any that apply

	Name:
	Social Security Number (SSN)
	Identification number (specify type):
	Birth date
	Race/ ethnicity
	Marital status
	Spouse name
	Home address
	Home telephone
	Personal e-mail address
	Other (specify):
✓	None
✓	<p>Comment: There are no specific data fields in the system for any of these. The information is contained inside attachments only.</p> <p>The information has nothing to do with HUD employees. The information is contained in attachments only, as there are no data fields in the system for the data. There is no file identifier. The attachment can only be pulled up when you are in the specific audit it is attached to and you must be one of the persons identified as able to see it. For example: if someone goes into a specific recommendation's action plan to close it, he/she then looks to see if there is an attachment (which there may or may not be) that contains closure information. This closure information attachment may or may not have PII data in it. The attachments with PII are marked as private by the person adding it into the system. There are no reports or searches available to find attachments marked private.</p>

Question 8: What type of Notice(s) are provided to the individual on the scope of information collected, the opportunity to consent to uses of said information, the opportunity to decline to provide information.

- a. Was any form of notice provided to the individual prior to collection of information? If yes, please provide a copy of the notice as an appendix. (A notice may include a posted privacy policy, a Privacy Act notice on form(s), and/or a system of records notice published in the Federal Register.) If notice was not published, why not? [A system of records notice was published in the Federal Register on February 6, 2013.](#)
- b. Do individuals have an opportunity and/or right to decline to provide information? **No.**

- c. **Do individuals have an opportunity to consent to particular uses of the information, and if so, what is the procedure by which an individual would provide such consent?** No.

Question 9: What are the Retention Use and Disposal Practices. Guidance for this section should obtain from HUD retention use and disposal policy. It should also be validated that these procedures are outlined in the contracted service agreement to ensure that the contracted system does not hold onto data after services are no longer provided.

- a. **How long is information retained?**

The electronic records are maintained indefinitely and destroyed in accordance with schedule 20 of the National Archives and Records Administration General Records Schedule. Other materials, including hard copy printouts derived from electronic records created on an ad hoc basis for reference purposes or to meet day-to-day business needs, are burned when the agency determines that they are no longer needed for administrative, legal, audit, or other operational purposes.

- b. **Has the retention schedule been approved by the component records officer and the National Archives and Records Administration (NARA)?**

Yes.

- c. **Please discuss the risks associated with the length of time data is retained and how those risks are mitigated.**

Risks associated with data retention for ARCATS include the possibility of data being accessed by unauthorized personnel and compromised PII (Personally Identifiable Information). Risks to the data in ARCATS are mitigated through the use of system scans, testing, and reviews.

SECTION 3 - DETERMINATION BY HUD PRIVACY ACT OFFICER

The Audit Resolution and Corrective Actions Tracking System (ARCATS) P136 is a concern for privacy due to the personal/sensitive information contained in the system. Based on Question #6, we have determined that the appropriate administrative controls are in place to ensure protection of the data collected and maintained by the system. Approval of this assessment is recommended and that the review and/or update of the PIA for P136 required by July 28, 2015. Note: The ATO for this system expires in March 2014, recommend that you schedule a follow-up with IT Security.