



PRIVACY IMPACT ASSESSMENT

SYSTEM OR APPLICATION NAME:	Financial Interchange System
DATE:	March 21, 2012
SYSTEM OWNER & TITLE:	Carl E. May Chief, Financial Interchange Division
CONTACT POINT	Carl E. May Chief, Financial Interchange Division
ORGANIZATION:	Bureau of the Actuary U.S. Railroad Retirement Board 844 North Rush Street Chicago, IL 60611-2092
REVIEWING OFFICIAL NAME & TITLE	Charles Mierzwa Chief of Information Resources Management
ORGANIZATION:	Bureau of Information Services Information Resources Management Center U.S. Railroad Retirement Board 844 North Rush Street Chicago, IL 60611-2092

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Overview

The Railroad Retirement Board's (RRB) Financial Interchange System estimates additional benefits and administrative expenses that would have been paid by the trust funds (Social Security and Railroad Retirement) as well as the additional payroll and income taxes. The difference between these two amounts is transferred, with interest, to the trust fund which is owed the larger credits.

The Financial Interchange System consists of a 1-percent sample of present and former railroad employees and members of their families. Information is maintained on the earnings history of covered individuals, the actual payments made to them from the trust funds and the payments which would have been made by the trust funds if railroad employment had always been covered by the social security system.

The agency's mainframe and several personal computers are used to maintain portions of the Financial Interchange System. Personnel in the Bureau of the Actuary are the only users of the system. The Financial Interchange System consists of four separate subsystems – the gross earnings subsystem, the employment data management subsystem, the benefit payment subsystem, and the personal computer subsystem.

Section 1.0 - The Nature of the Information in the Financial Interchange system and Its Source.

The Financial Interchange System uses personal and wage information from a 1% sample of present and former railroad workers and their families. This information is collected from existing RRB information systems and wage data provided by employers. Railroad workers whose social security number ends in "30" make up the 1% sample.

We use the following information:

- Employees: Name, Social Security Number, RRB Claim number, date of birth, wage, RRB and Social Security Benefit information.
- Employee family members: Name, Social Security Number, date of birth, RRB and Social Security Benefit payment information.

Section 2.0 - The Uses of the Information.

We collect the information so we can estimate the additional benefits and administrative expenses that would have been paid by the trust funds as well as the additional payroll and income taxes. The difference between these two amounts is transferred, with interest, to the trust fund which is owed the larger credits.

Our authority to collect and use this information for each of these programs comes from United States Code and our agency regulations:

United States Code:

- 45 U.S.C § [231f](#)(b)(1), Railroad Retirement Act,
- 45 U.S.C § [231f](#)(b)(3), Railroad Retirement Act, and
- 45 U.S.C § [231f](#)(c)(2), Railroad Retirement Act.

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Railroad Retirement Board Regulations: 20 CFR, Employees' Benefits, [Chapter II](#), Railroad Retirement Board.

Section 3.0 - Retention of Information

We base our need to retain information on what is required to provide the service for which it is collected. The National Records and Archives Administration reviews and approves our retention schedules. When the information is no longer required, we securely dispose of it.

Section 4.0 - Internal Sharing and Disclosure of Information

We share employer provided employee gross earnings information internally with the Audit & Compliance Division of the Bureau of Fiscal Operations for compliance reporting purposes upon request. We keep our internal spreadsheets and databases saved on a dedicated network share location, with access limited to our business unit. We also store some information on our local computers, which have fully encrypted hard drives.

We have established security and privacy policies and procedures, awareness training programs and rules that our staff must follow when using our systems and accessing sensitive data. Our rules also cover what is required to disclose information and the penalties for improper disclosure.

Section 5.0 - External Sharing and Disclosure

We share a statistical sample (approximately 3,000 records) with the Association of American Railroads ([AAR](#)) yearly for their use in wage analysis and trending. The information we provide them does not contain personally identifiable information and is releasable under the Privacy Act of 1974 for statistical research. (5 U.S.C. § [552a\(b\)\(5\)](#))

Section 6.0 - Notice

We publish our Privacy Act Systems of Records Notices both in the [Federal Register](#) and on our web site (http://www.rrb.gov/bis/privacy_act/SORNList.asp).

These notices explain:

- What system collects and uses the information,
- What information is collected,
- Under what routine uses we may release that information,
- How we store, retrieve, retain and safeguard that information,
- What RRB official is the manager of that system, and
- The procedures to follow if you want to see or request corrections made to any information that system may have about you.

We also publish a Privacy Act Notice and a Paperwork Reduction Act Notice on any form that we use to collect personal information from you.

The Financial Interchange major application system uses information that is collected and used as outlined in the Privacy Act System of Records Notices (SORN) listed below.

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[RRB-27](#): Railroad Retirement Board-Social Security Administration Financial Interchange System,
[RRB-29](#): Railroad Employees' Annual Gross Earnings Master File

Our Privacy Act Systems of Records Notices list who those parties are and under what routine uses that we may disclose that information.

Section 7.0 - Individual Access and Redress

If you wish to review or request a change to the records and benefits that we maintain on you, please contact the nearest RRB field office for assistance.

You may also file a request for information regarding your records in writing, including your full name, social security number and railroad retirement claim number (if any). Before information about any records will be released, you will be required to provide proof of identity, or authorization from the individual you are requesting records for, before we release that information.

Send your request to:

- Chief, Financial Interchange Division
Bureau of the Actuary
Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-2092

Before information about any record will be released, the System Manager may require the individual to provide proof of identity or require the requester to furnish an authorization from the individual to permit release of information.

Section 8.0 - Technical Access and Security

Our greatest privacy risk is unauthorized access or modification of records containing sensitive information. We mitigate this risk by following Federal security and privacy guidance and directives. An independent contractor evaluated the Financial Interchange system as part of its Certification and Accreditation process to ensure we are compliant with the appropriate security standards. We also have a contractor perform an annual independent security test and review of the Financial Interchange system as part of our continuous monitoring policy.

We provide security and privacy awareness training annually to all agency system users. Before granting access to the Financial Interchange system, new users receive training on proper use of the system and protecting the confidentiality of the data. Our users also are required to receive additional training from the Social Security Administration if they are accessing their information.

Before we grant or modify access to the Financial Interchange system management reviews the request and approves it if the employee or contractor requires that level of access to perform their assigned job duties.

Once approved by management, they forward the request to our network access control staff, which assigns the appropriate roles and security profile for that authorized user. We use established role based access control rules and follow our internal agency operating procedures.

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We use extensive technical measures in order to provide electronic and physical defense-in-depth for your information. Some of our safeguards are:

- Access is limited to those staff members who have a business requirement to that information,
- Complete hard drive encryption on all of our financial interchange computers,
- Encryption of all data on systems that are located outside of RRB facilities,
- Encryption of all data that transits to or from the RRB network,
- In-Depth electronic security monitoring and incident response technologies and dedicated security staff,
- Information systems secured in accordance with Federal Law, National Institute of Standards and Technology (NIST) and other Executive Agency guidance and directives,
- Internal policies and training addressing proper handling of sensitive information,
- Logging of local, network, mainframe and database usage,
- Role based access controls used to control access to electronic data records and applications enforcing need to know and least privilege policies,
- Secure disposal of electronic and paper media when it is no longer required,
- Systematic data backups performed with the backup media securely transported to, and stored at a Federal records holding center,
- Transaction histories are maintained to track any changes to individual records, and
- Vulnerability and Patch management tools to ensure that our system software is kept current.

Section 9.0 - Technologies Used by the Financial Interchange System

The Financial Interchange major application system uses both internally developed applications and commercial off the shelf technologies to work.

We ensured that the Financial Interchange system met all Federal privacy and security requirements. We validated that the system meets all current Federal guidelines and directives through the use of an independent evaluation.

Additionally, our Privacy and Security staff review all information system proposals in accordance with the E-Government Act of 2002 (Public Law 107-347) and Office of Management and Budget directives.

Conclusion

We use the Financial Interchange major application system to estimate additional benefits and administrative expenses that would have been paid by the trust funds (Social Security and Railroad Retirement) as well as the additional payroll and income taxes. The difference between these two amounts is transferred, with interest, to the trust fund which is owed the larger credits.

We take our obligation seriously to protect all data that we use for our daily financial operations. We do this by complying with Federal information and privacy laws, directives and guidance, by providing technical network defenses in depth, and by having established management and operational controls in place to manage our information systems.

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Certification of Responsible Officials	
Preparer Signature & Title	Carl E. May Chief, Financial Interchange Division
System Owner Signature	Carl E. May Chief, Financial Interchange Division
Approved Signature & Title	Charles Mierzwa Chief of Information Management Resources Center
PTA Control Number (if a PTA was submitted prior to PIA)	PTA-20110928-001
PIA Control Number	PIA-20120321-001