FMS' capability to service and collect debts includes the development of a system which will enable FMS to track, account by account, information identifying individual debtors, payments due and made and actions taken to enforce collection on delinquent accounts. Given the nature of the information that will be maintained and its proposed use, the Privacy Act of 1974, as amended, 5 U.S.C. 552a, requires FMS to give general notice and seek public comments.

Dated: January 3, 1995.

Alex Rodriguez,

Deputy Assistant Secretary (Administration).

Treasury/FMS .014

SYSTEM NAME:

Debt Collection Operations System

SYSTEM LOCATION:

The Debt Collection Operations Staff, Financial Management Service, U.S. Department of the Treasury, 401 14th Street, SW., Washington, DC 20227.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Records are maintained on individuals and entities that are financially indebted to the U.S. Government through one or more of its departments and agencies and are the result of participation in a Federal direct or guaranteed loan program, the assessment of a fine, fee, or penalty, an overpayment or advance, or other extensions of credit such as would result from sales of goods or services.

CATEGORIES OF RECORDS IN THE SYSTEM:

Information varies, depending on the individual debtor, the type of indebtedness and the agency to which monies are owed. The system of records contains information pertaining to: (1) Individuals and commercial organizations, such as name, Taxpayer Identification Number (i.e., Social Security Number or Employer Identification Number), work and home addresses, and work and home phone numbers; (2) the indebtedness, such as the original amount of the debt, the date the debt originated, the amount of the delinquency/default, the date of delinquency/default, basis of the debt, amounts accrued for interest, penalties, and administrative costs, and payments on the account; (3) actions taken to enforce recovery of the debt, such as copies of demand letters/invoices, and documents required for the referral of accounts to collection agencies, or for litigation; and (4) referring or client agency, such as name, phone number, and address of the agency contact.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Federal Claims Collection Act of 1966 (Pub. L. 89–508), as amended by the Debt Collection Act of 1982 (Pub. L. 97–365, as amended), and the Deficit Reduction Act of 1984 (Pub. L. 98–369, as amended); 31 U.S.C. 37, Subchapter I (General) and Subchapter II (Claims of the U.S. Government).

PURPOSE:

The purpose of this system is to maintain a record of individuals and entities that are indebted to the various Federal Government departments and agencies and whose accounts are being serviced or collected by the Financial Management Service (FMS), in accordance with written agreements reached between the relevant agency ("client") and FMS. The records ensure that: appropriate collection action on debtors' accounts is taken and properly tracked, monies collected are credited, and accounts are returned to the appropriate client at the time the account is collected or closed.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

These records and information in these records may be used to disclose information to:

- 1. Appropriate Federal, state, local or foreign agencies responsible for investigating or implementing a statute, rule, regulation, order or license;
- 2. 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 in response to a court-ordered subpoena or in connection with criminal law proceedings;
- 3. A congressional office in response to an inquiry made at the request of the individual or entity to whom the record pertains;
- 4. The Internal Revenue Service for the purposes of: Effecting an administrative offset against the debtor's tax refund to recover a delinquent debt owed to the U.S. Government by the debtor; or, obtaining the mailing address of a taxpayer/debtor in order to locate the taxpayer/debtor to collect or compromise a Federal claim against the taxpayer/debtor in accordance with 31 U.S.C. 3711, 3717, and 3718 and 26 U.S.C. 6103(m)(2);
- 5. The Department of Justice for the purpose of litigating to enforce collection of a delinquent debt or to obtain the Department of Justice's concurrence in a decision to compromise, suspend, or terminate

collection action on a debt with a principal amount in excess of \$100,000 or such higher amount as the Attorney General may, from time to time, prescribe in accordance with 31 U.S.C. 3711(a).

- 6. The Department of Defense or the U.S. Postal Service or other Federal agency for the purpose of conducting an authorized computer matching program in compliance with the Privacy Act of 1974, as amended, so as to identify and locate individuals receiving Federal payments (including, but not limited to, salaries, wages, and benefits) for the purpose of requesting voluntary repayment or implementing Federal employee salary offset or administrative offset procedures;
- 7. The Department of Defense or the U.S. Postal Service or other Federal agency for the purpose of effecting an administrative offset against Federal payments certified to be paid to the debtor to recover a delinquent debt owed to the U.S. Government by the debtor; and
- 8. Any creditor Federal agency seeking assistance for the purpose of seeking voluntary repayment of a debt or implementing Federal employee salary offset or administrative offset in the collection of an unpaid financial obligation.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Debt information concerning a Government claim against a debtor is also furnished in accordance with 5 U.S.C. 552a(b)(12) and section 3 of the Debt Collection Act of 1982, as amended (Pub. L. 97–365), to consumer reporting agencies, as defined by the Fair Credit Reporting Act, 15 U.S.C. 1681a(f), to encourage repayment of an overdue debt.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OR RECORDS IN THE SYSTEM:

STORAGE

Records are maintained on magnetic disc, tape, and hard copy.

RETRIEVABILITY:

Records are retrieved by name or Taxpayer Identification Number (i.e., Social Security Number or Employer Identification Number).

SAFEGUARDS:

All officials accessing the system of records will do so on a need-to-know basis only, as authorized by the System Manager. Procedural and physical safeguards are utilized, such as accountability, receipt records, and specialized communications security.