



OVERSIGHT AND
COMPLIANCE

OFFICE OF THE CHIEF MANAGEMENT OFFICER
9010 DEFENSE PENTAGON
WASHINGTON, DC 20301-9010

April 17, 2019

MEMORANDUM FOR THE DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Justification for the Continued Use of Social Security Numbers in the Non Appropriated Fund Information Standard System (NAFISS), DITPR # 864 - Accepted

Thank you for completing a review of Social Security Number (SSN) use within this system. The Defense Privacy, Civil Liberties and Transparency Division (DPCLTD) has reviewed this request and has accepted your justification for continued use of the SSN for the purpose of (7) Federal Taxpayer Identification Number. NAFISS collects and provides the SSN / Tax Identification Number to the Department of Treasury for tax reporting purposes for payments for services rendered, Temporary Duty settlements, reportable gaming winnings (\$1,200 or more for Bingo) and other related financial transactions.

Acceptable Use (11) Legacy System Interface is temporarily approved for interactions with the Non-Appropriated Central Payroll System (NAFCPS). DFAS must begin taking steps to transition to the EDIPI / DoD ID number (EDIPI / DoD ID number (input side) and SSN (output side)). Please provide a transition plan for each system (NAFISS and NAFCPS), including a Plan of Action and Milestones (POAM) within 60 days of the date of this letter. This system must be reviewed on a continuous basis and a new justification must be provided if any change to the system of records notice is submitted.

Acceptable Use (4) Interactions with Financial Institutions is not approved, as account information (routing and account numbers) may be used for EFT transactions, since payments are being made to established accounts. Acceptable Use (8) Computer Matching is also not approved, as Acceptable Use (7) Federal Taxpayer Identification Number addresses the broader use covered by Acceptable Use (8).

While this system has been identified as requiring collection, maintenance, and use of the SSN, you must ensure the data is afforded the highest protections practicable through use of appropriate administrative, technical, and physical safeguards. Please maintain a copy of your justification and this memo in your records.

SSN Justifications must be renewed three (3) years after the date of this memorandum if the associated System of Records has not been updated.

If you have any questions, please contact Ms. Cheryl Jenkins at (703) 571-0026 or email, cheryl.d.jenkins2.civ@mail.mil.

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Cindy L. Allard
Chief, Defense Privacy, Civil Liberties,
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DEFENSE FINANCE AND ACCOUNTING SERVICE

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June 18, 2018

MEMORANDUM FOR DEFENSE PRIVACY, CIVIL LIBERTIES, AND TRANSPARENCY DIVISION

SUBJECT: Justification for the Use of the Social Security Number (SSN) and/or Tax Identification Number (TIN) – Non-Appropriated Fund Information Standard System (NAFISS)

The Defense Finance and Accounting Service (DFAS) employs a system called NAFISS to perform standard finance and accounting services for Non-Appropriated Funds (NAF) installations. NAFISS contains SSNs and TINs for tax reporting purposes for the Department of Treasury – Internal Revenue Service (IRS) using standard forms 1099-MISC, 1099-INT, and W2Gs. NAFISS also reports contract payments per TIN and gaming winnings per SSN to the IRS. The IRS uses SSNs and TINs as the unique identifier for individuals and companies, respectively. A Privacy Impact Assessment (PIA) is being performed as part of the accreditation process. This signed memo is required for completion of the PIA package.

The Department of Defense (DoD) allows use of SSN and/or TIN via DoDI 1000.30, Enclosure 2, Paragraph 2.c. The justification for NAFISS to use Personally Identifiable Information (PII) is applied through the following subparagraphs. Please see TAB B for reference.

From DoDI 1000.30, starting page 8:

(4) Interactions with Financial Institutions. Financial institutions may require that individuals provide the SSN as part of the process to open accounts. It may therefore be required to provide the SSN for systems, processes, or forms that interface with or act on behalf of individuals or organizations in transactions with financial institutions.

(7) Federal Taxpayer Identification Number. The application of Federal and State income tax programs rely on the use of the SSN. As such, systems that have any function that pertains to the collection, payment, or record keeping of this use case may contain the SSN. Additionally, individuals who operate corporate entities under their own name may use their SSN as the tax number for that business function.

(8) Computer Matching. Systems, processes, or forms that interact with other Government agencies may require the continued use of the SSN as a primary identifier until such time as the applications to which they are linked move to some other identifier as a primary means for transferring, matching, or checking information. These applications shall be rigorously scrutinized to determine the availability of some other means for conducting these transactions.

(11) Legacy System Interface. Many systems, processes, or forms that do not meet the criteria in subparagraphs 2.c.(1) through 2.c.(10) of this enclosure for the continued use of the SSN may not be able to transition to another identifier in a timely manner due to an interface with a legacy system still using the SSN, or due to the excessive cost associated with the change. In these cases, the continued use of the SSN may be acceptable for a specified period of time, provided that formalized, written plans are in place for the migration away from the SSN in the future. Plans to alter these use cases must take into account interactions with other applications as well as all methods for entry, processing, or transfer of information from said application. It is critical that transfer away from the SSN does not cause unacceptably long interruptions to continued operations.

The authority for this DoD information system to collect, use, maintain, and/or disseminate PII is found in the following: 5 U.S.C. 301, Departmental Regulations; Department of Defense Financial Management Regulations, Chapter 20; 31 U.S.C. Sections 3511, 3512 and 3513; and E.O. 9397 (SSN). The System of Records Notice (SORN) identifier for this system needs to be created T7280B and the DoD IT Portfolio Repository (DITPR) identifier for this system is 864.

Justification for the use of the SSN and/or TIN does not constitute blanket permission to use such data. The NAFISS application supports tax reporting for vendors and individuals. The SSN and TIN must continue to be collected and stored in order to report amounts to the Treasury using Treasury standard forms. The system in question, NAFISS, has established user role-based access controls that safeguard the SSNs and TINs.

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