National Labor Relations Board

**Privacy Impact Assessment
for the
Backpay Management System (BMS)
October 2021**

Background

Background of System: Rapid advancements in computer technology make it possible to store and retrieve vast amounts of data quickly and efficiently. These advancements have raised concerns about the impact of large, computerized information systems on the privacy of data subjects. Public concerns about highly integrated information systems operated by the government make it imperative to commit to a positive and aggressive approach to protecting individual privacy. The collection, use, maintenance, and dissemination of information on individuals by the National Labor Relations Board (NLRB) requires a thorough collaborative analysis of legal, technical, security and privacy teams. Whether a system is automated, manual, or both, integration of privacy protections is a primary element in the development of the system.

Purpose

The purpose of the Privacy Impact Assessment (PIA) is to perform an analysis of how information is handled: (i) to ensure handling conforms to applicable legal, regulatory, and policy requirements regarding privacy; (ii) to determine the risks and effects of collecting, maintaining, and disseminating information in identifiable form in an electronic information system; and (iii) to examine and evaluate protections and alternative processes for handling information to mitigate potential privacy risks.

Agency Process

NLRB's privacy compliance process is comprised of two phases. Phase 1, the *initial* assessment known as a Privacy Threshold Analysis (PTA), determines whether a formal PIA is necessary for the system. Following a review of the PTA, the Information Technology (IT) Security Officer along with the Privacy Officer will determine if a more detailed PIA is necessary. If a more detailed PIA is necessary, the system will undergo Phase 2, a *detailed* assessment. Both phases require the gathering of system information on technical, legal, security, and privacy issues, along with identification and mitigation of privacy risks. PIA's are published to the public facing website, as NLRB's commitment to fostering transparency, regarding how the agency uses personally identifiable information (PII) to fulfill its mission.

Applicable Authorities Affecting Privacy Act Data

- Privacy Act of 1974, as amended (5 U.S.C. § 552a), which affords individuals the right to privacy in records that are maintained and used by Federal agencies.
- E-Government Act of 2002 (44 U.S.C. § 3603), Section 208, which requires agencies to conduct privacy impact assessments (PIAs) in certain circumstances.
- The Federal Information Security Modernization Act of 2014 (FISMA) (44 U.S.C. Chapter 35).
- Matching and Privacy Act of 1988 (Public Law 100-503).
- OMB Circular A-130, Managing Information as a Strategic Resource (July 28, 2016), which establishes general policy for the planning, budgeting, governance, acquisition, and

management of Federal information, personnel, equipment, funds, IT resources and supporting infrastructure and services. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information (PII).

- OMB Memorandum M-03-22, OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002 (Sept. 26, 2003).

- Freedom of Information Act (FOIA), as amended (5 U.S.C. § 552), which provides for the disclosure of information maintained by Federal agencies to the public while allowing limited protections for privacy.

Privacy Impact Assessment

Section I Nature of the System:

1. Provide the commonly used name of the system, spelling out any acronyms. If the system will be referred to by acronym, include that in parentheses after the name.

    Backpay Management System (BMS)

2. In a few sentences, provides generalized description of the system and its purpose. Provide an explanation of how the system functions and what agency-based mission(s) the system fulfills.

    The NLRB is authorized by the National Labor Relations Act to remedy unfair labor practices by issuing a backpay remedy to an individual, called a "discriminatee," for a monetary loss that results from an unfair labor practice. A charged party who owes backpay is generally referred to as a "respondent." However, in a fraction of the unfair labor practice cases involving backpay awards, the NLRB makes payments to the discriminatees on behalf of the respondent. The NLRB uses Backpay Management System (BMS) in such unfair labor practice cases where the NLRB is actively involved in the financial management (e.g., recording and receiving funds and making disbursements) of awards given to discriminatees. Once the NLRB receives the funds on behalf of discriminatees, they are deposited into a deposit fund account with the U.S. Department of the Treasury and tracked. Upon finalization of the awards, discriminatees are issued funds and certain annual tax forms. The system also facilitates the efforts and responsibility of the NLRB to send certain tax forms, tax reports, and tax payments to the Internal Revenue Service (IRS) and the Social Security Administration.

3. Describe the stage of development the system is currently:

    ☐ A new system which is --
        ☐ Still in the planning stages.
        ☐ Mid-way to launch.
        ☐ Ready for launch. Anticipated Launch Date: Click or tap here to enter text.

☐ Proposals to change an existing system, the changes are:

    ☐ Still in the planning stages.

    ☐ Mid-way to launch.

    ☐ Ready for launch. Anticipated Launch Date: Month/Day/Year

☒ Other or Maintenance (Explain. Provide data required above for new or existing systems.)
This is an existing system that is in the maintenance stage. There are periodic releases that require a System Development Life Cycle (SDLC) approach; however, the overall system remains operational.

4. Is the system required by law or Executive Order?

☒ No

☐ Yes (Provide the law, Executive Order and NLRB policies and regulation)

Section II Data in the System:

1. Will this system contain personal data elements? (See Definitions for a list of common data elements considered personal.)

☐ No (See Section VIII)
☒ Yes (Continue)

2. Select those personal data elements or types of data elements the system will contain:

☐ Mother's Maiden Name
☒ Social Security Number or Truncated SSN
☐ Date of Birth
☐ Place of Birth
☒ Home Address
☒ Home Phone Number
☒ Personal Cell Phone Number
☒ Personal E-Mail Address
☒ Work Phone Number
☒ Work E-Mail Address
☐ Driver's License Number
☐ Passport Number or Green Card Number
☐ Employee Number or Other Employee Identifier
☒ Tax Identification Number
☒ Credit Card Number or Other Financial Account Number
☒ Employment or Salary Record
☐ Security Clearance Information

☒ Date of death if applicable

☒ Heir of deceased if applicable (which may include name and contact information about the discriminatee's potential heirs for purposes of disbursing backpay funds to them as appropriate in the event of a discriminatee's death)

☒ Payment amount

☒ For sole proprietor respondents: business name

☒ For sole proprietor respondents: Employer Identification Number (EIN)

☒ For sole proprietor respondents: business address

☒ For sole proprietor respondents: business phone

☒ For sole proprietor respondents: business fax

☒ For sole proprietor respondents: name of business's main person to contact for communications

3. What are the sources of the personal information in the system? (Check all that apply.)

    ☒ NLRB files or databases. Regional offices maintain addresses and contacts of discriminatees. Another source is the Agency's electronic case management system (NxGen).

    ☒ Non- NLRB files or databases. The discriminatee list is provided by the discriminatees' employers. Unions and law firms representing an individual or group of discriminatees may provide the personal information. Additionally, deposit information, (including type, dates, and number) check number and amount from the Over-the-Counter (OTCnet) and/or the Treasury Offset Program (TOP) will be entered into BMS.

    ☐ State and local agencies.
    ☒ The record subject himself/herself.
    ☐ Supervisors
    ☐ Other third-party sources. (List)

4. Are the personal data elements described in detail and itemized in a record layout or other document? If yes, provide the name of the document/form and attach a copy.

    Yes, the Regional Office Accounting Manual

5. Review the list of personal data elements you currently collect. Is each data element essential to perform some official function? *[This question only pertains to data elements you specifically solicit. Provide explanation in the additional information section as to personal data that may be voluntarily provided in a "Remarks, "Comments," "Explanation," or similar type of block where the individual is free to add information of his choosing.]*

    ☒ 5a. Yes, all data elements solicited are absolutely essential. (Go to Section III)

    ☐ 5b. Some of the solicited data elements are nice to have but not essential.

    ☐ 5c. None of the personal data elements are necessary. The program could function efficiently without personal data.

6. If you checked blocks 5b or 5c above, list the data elements that are not essential.

Section III Verifying Data:

1. For data collected from sources other than NLRB records and the record subject, describe how the data will be verified for --

    a. Accuracy:
    b. Completeness:
    c. Relevance:
    d. Timeliness:

    Data are collected and verified for Accuracy, Completeness, Relevancy and Timeliness by the regional compliance officer.

2. Describe your procedures for determining if data have been tampered with by unauthorized persons. Do not go into so much detail as to compromise systemsecurity).

    The application resides on existing NLRB platforms that are protected by the NLRB firewall and intrusion detection systems. The data and system files are restricted to user'spersonal computers and accessto local area network file locations.

Section IV Access to the Data:

1. Who will have access to the data in the system (Users, Managers, System Administrator, Developers, Others)?

    Regional compliance officers, compliance assistants, supervisors, regional directors or their designee, Operations Management, and the Finance Branch.

2. How is right of access to the data by a user determined?

    The Finance Director determines who, in the Finance Branch, needs access to the system and based upon the functions assignedto the employee.

3. Are criteria, procedures, controls, and responsibilities regardingaccess documented?

    Yes, NLRB documented security and privacy related procedures governing access to BMS in accordance with Federal laws and requirements.

4. What controls are in place to prevent the misuse (e.g. browsing) of data by those individuals having access? Do not go into so much detail as to compromise systemsecurity.

    The access control is implemented by user role authorization, anddata encryption.

5. Do other systems share data or have accessto data in this system?

☒ No

☐ Yes (Explain) _____

6. Will other non-NLRB agencies share data or have direct access to data in this system (International, Federal, State, Local, Other)?

☒ No (Go to Question IV-9)

☐ Yes (List each agency by name or type, (e.g., law enforcement activities; Social Security Administration, etc.) and briefly provide the purpose of the access.)

7. How will the system ensure that agencies only get the needed information to fulfill their official functions?

8. Who will be responsible for protecting the privacy rights of individuals and employees affected by the interface between agencies?

9. Who is responsible for assuring proper use of the data? Provide name, title, mailing address and current telephone number.)

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Section V Attributes of the Personal Data:

1. Is the use of the personal data both relevant and necessary to the purpose for which the system is being designed?

☐ No (Explain) _____

☒ Yes

2. Will the system derive new data or create previously unavailable data about an individual through a data aggregation process?

☒ No (Go to Section VI.)

☐ Yes (Continue)

2a. Will the new data be placed in the individual's employment or other type of record (whether manual or electronic) that is retrieved by name, SSN, or another personal identifier?

☐ No

☐ Yes (Identify the record/database, or type of record/database.)

☐ Not Applicable

2b. Can the system make determinations about individuals or employees that would not be possible without the new data?

☐ No
☐ Yes (Explain) _____
☐ Not Applicable

2c. Will the data be retrieved by personal identifier (name, SSN, employee number, computer ID number, etc.)? The data can be retrieved by name, but data relating to individuals are not disclosed to the public.

   ☐ No (Go to Section VI.)
   ☐ Yes (List retrieval fields)

   _____
   ☐ Not Applicable

2d. Are there potential effects on the due process rights of citizens and lawfully admitted aliens?

   2d-l. Consolidation and linkage of files and systems?

   ☐ No   ☐ Yes   ☐ Not Applicable

   2d-2. Derivation of data?

   ☐ No   ☐ Yes   ☐ Not Applicable

   2d-3. Accelerated information processing and decision-making?

   ☐ No   ☐ Yes   ☐ Not Applicable

   2d-4. Use of new technologies?

   ☐ No   ☐ Yes   ☐ Not Applicable

   2e. How are any effects discussed in 2d-1 through 2d-4 to be mitigated?

Section VI Maintenance of Administrative Controls:

1. Describe how the system and its use will ensure equitable treatment of individuals. If the system is operated in more than one site, also include a discussion of how consistent use of the system and data will be maintained in all sites.

   The system is designed to facilitate the NLRB's fiduciary obligation to manage the funds related to the accurate and timely issuance of monetary awards to discriminatees.

2. Explain the possibility of disparate treatment of individuals or groups.

   The remotest possibility of disparate treatment might occur when the occasional discriminatee does not provide a timely residential address or fails to cash an award check within the time specified by the U.S. Department of the Treasury.

3. What are the retention periods for the data in this system?

Records will be retained and disposed of in accordance with the NLRB's Request for Records Disposition Authority, Records Schedule Number DAA-0025-2017-0001, under the Back Pay Administration disposition (Disposition Authority Number DM-0025-2017-0001-0006), approved by NARA on April 9, 2018. This schedule provides that backpay information is scheduled for "temporary" retention: "Destroy 7 year(s) after case is closed".

3a. Does your retention period agree with that listed in Appendix I, of the NLRB Files? Management and Records Disposition Handbook?

No (Provide Explanation)

☒ Yes (List disposal rule from the Appendix I of NLRB Files Management & Records Disposition Handbook)

Records will be retained and disposed of in accordance with the NLRB's Request for Records Disposition Authority, Records Schedule Number DAA-0025-2017-0001, under the Back Pay Administration disposition (Disposition Authority Number DM-0025-2017-0001-0006), approved by NARA on April 9, 2018.

3b. What are the procedures for eliminating the data at the end of the retention period?

The procedures for eliminating the data at the end of the retention period are as follows:

At the beginning of each quarter the OCIO generates a list of closed cases from NXGEN. Closed cases that have been closed for seven (7) years are provided to Operations and Finance for validation. After confirmation of the list the OCIO extracts the closed cases from BMS and prepares them for submission to NARA. The extracted cases are then deleted.

3c. Where are the elimination of data procedures documented as discussed in Question 3b above?

The elimination of data procedures are documented in the BMS' user community site in SharePoint.

3d. Is the system using technologies in ways that the NLRB has not previously? employed (e.g. Caller-ID, surveillance, etc.)?

☒ No (Continue.)
☐ Yes (Identify the technology and describe how these technologies affect individual privacy) _____

3e. Will this system provide the capability to identify, locate, and monitor individuals?

    ☐ No

    ☒ Yes (Provide Explanation)

       BMS has contact info for discriminatees.

  3f. Will this system provide the capability to identify, locate, and monitor groups of people?

      ☐ No

      ☒ Yes (Provide Explanation)

      People can be grouped by a case number.

  3g. What controls will be used to prevent unauthorized monitoring? Do not describe
     your controls and procedures in so much detail as to compromise system security.

     OCIO IT Security scheme

Section VII Interface with Privacy Act Systems of Records:

1. Does this system currently operate under an existing NLRB or Government-
   Wide Privacy Act system of records? NLRB and Government Wide systems
   are described at: *http://www.access.gpo.gov/su_docs/aces/PrivacyAct.shtml* and
   https://www.whitehouse.gov/omb/memoranda_m99-05-c/

     ☒ No (Go to Section VIII)

     ☐ Yes (Continue)

2. Provide the identifying number and name of each system.

3. If an existing NLRB Privacy Act system of records is being modified, will the system
   notice require amendment or alteration? Provide a list all proposed changes. Consider the
   following, will you be collecting new data elements not previously approved for collection;
   using the data for new internal purposes; sharing the data with new non-NLRB agencies;
   keeping the records longer; creating new locations of data, etc.?)

     ☐ No

     ☐ Yes (Explanation of changes) _____

     ☐ Not Applicable

4. If the system currently operates under an existing Government-Wide Privacy Act
   system of records notice, are your proposed modifications in agreement with the
   existing notice?

     ☐ No (Explanation of changes) _____

     ☐ Yes (Go to Section VIII)

☐ Not Applicable

5. If you answered "no" to **Section VII- Number 4** above, have you consulted with the government agency that "owns" the government-wide system in determining if they approve of your modifications, and intend to amend or alter the existing notice to accommodate your needs?

☐ No
☐ Yes (Provide the name and contact information of the official with responsibility for the government-wide system) _____
☐ Not Applicable

6. Is there an Authority to Operate of record within OCIO's FISMA tracking system?

☐ Unknown
☐ No
☐ Yes (Please provide the determination of Low/Moderate/High/Undefined for each of the following:)

Confidentiality - <u>Moderate</u>

Integrity - <u>Moderate</u>

Availability - <u>Moderate</u>

<u>Section VIII. Certification:</u> **Personnel Security Files**

I have read and understand the purpose of this assessment. I have reviewed the definition of "personal data" and have accurately listed the personal data elements collected or accurately answered all questions contained in this Privacy Impact Assessment.

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OCIO Deputy OCIO Name	Eric Marks
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Definitions

Accounting of Disclosures – a record showing all third-party disclosures made from a system. The disclosure accounting shows the date, recipient name, recipient address, purpose, and the data elements disclosed. You need not account for disclosures made to NLRB employees who require access to the data to perform official duties.

Accuracy – within sufficient tolerance for error to assure the quality of the record in terms of its use in making a determination.

Completeness – all elements necessary for making a determination are present before such determination is made.

Determination – any decision affecting an individual which, in whole or in part, is based on information contained in the record and which is made by any person or agency.

Disclosure – the transfer of any personal information from a system of records by any means of communication (oral, written, electronic, mechanical, or actual review) to any person, private entity, or government agency, other than the subject of the record, the subject's designated agent, or the subject's legal guardian.

Necessary – a threshold of need for an element of information greater than mere relevance and utility. A data element is "necessary" if the program cannot function properly or efficiently without it.

Personal Data – data about an individual that is personal in nature. Personal data may consist of home address; home email address; home telephone numbers; date and place of birth; marital status; names of spouse and children; financial, credit, and medical data; SSN; take home pay; credit card account numbers; mother's maiden name; other names used; government life and health insurance options elected; criminal history; for individuals assigned to (or about to be assigned to) overseas, sensitive, or routinely duty stations, their names, duty stations, duty addresses, and duty telephone numbers; performance ratings; race and national origin data; citizenship; religion; annual and sick leave use and balances; security clearance information; drug test results; and the fact of participation in rehabilitation or employee assistance programs. The following data elements are **NOT** normally considered personal: U.S. based work addresses and work telephone numbers; position data; performance elements; date of rank; source of commission; education level; education and training paid for by the government; job related certifications; current and past annual salary rates (but not take home pay); position titles; occupational series; and current and past grades. **NOTE: If you are not sure if the data elements you plan to collect are considered "personal," contact NLRB Privacy Officer.**

Record – **any** item, collection or grouping of information about an individual and identifiable to that individual that is maintained by an agency.

Relevance – limitation to only those elements of information which clearly bear on the determination(s) for which the records are intended. A data element is "relevant" if you cannot make a determination without it.

Routine Use – the disclosure of a record outside the National Labor Relations Board for a use that is compatible with the purpose for which the information was collected and maintained. The "Routine Users" that have been authorized access to each NLRB data system are listed in the governing NLRB or government-wide Privacy Act system notice.

System of Records – a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. Each Federal agency is required to publish in the Federal Register full descriptions of its systems of records. Some systems of records are "owned" by one agency but maintained at another agency. The "owning" agency is responsible for publishing a system notice for all Federal agencies to follow. These are referred to as "Government Wide" system notices. Example 1: Civilian Official Personnel Files are "owned" by the Office of Personnel Management but maintained at the employing agency. OPM publishes the system notice. Example 2: Workers Compensation Case files are "owned" by the Department of Labor but maintained at the employing agency. Thus, Labor publishes the system notice.

Third-Party – an organization, entity, or individual other than the record subject himself, his designated agent, or his legal guardian. For purposes of disclosure accountings, a NLRB employee is not considered a "third party" when performing officially assigned duties.