

PRIVACY IMPACT ASSESSMENT

RELOCATION TAX, LLC (RelocTax)

March 2015

FDIC External Service

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System Overview

Relocation, LLC (RelocTax) is used to provide FDIC employees or former employees (retirees) with gross up audit service¹ for relocation taxes. This includes a comprehensive evaluation of the employee's federal, state, and local tax returns to evaluate whether the travel and relocation benefits paid to the employee/retiree by the FDIC has been sufficiently grossed up and/or whether the employee/retiree has lost any tax credits or suffered any other tax detriment as a result of having additional income associated with travel and/or relocation. RelocTax provides a written gross up audit report explaining the employee/retiree's tax status.

FDIC employees/retirees are responsible for initiating FDIC's gross up audit services. The FDIC employee/retiree contacts RelocTax directly (at the direction of the FDIC Division of Finance [DOF] Accounting and Tax Policy staff) and provides a copy of the Cartus Online² relocation report and a PDF of their tax returns through a secured method of the employee/retiree's choosing. If the documents are sent via email, RelocTax strongly recommends that the employee/retiree encrypt and password protect all correspondence. At the beginning of the process, the employee/retiree is advised by RelocTax not to forward original documents, as all documents submitted are destroyed. Upon completion of the evaluation, RelocTax returns the audit results to the FDIC via encrypted email. After thirty (30) days, all documents and correspondence from the employee or retiree, as well as RelocTax handwritten audit notes, are properly disposed of and destroyed. Electronic copies of all audit materials are deleted from the RelocTax email server. If the employee/retiree has questions pertaining to the audit results after 30 days of receipt, all documents previously submitted must be resubmitted to RelocTax for re-evaluation.

Personally Identifiable Information (PII) in RELOCTAX

RELOCTAX collects personally identifiable Information (PII) such as: full name; date of birth (DOB); Social Security Number (SSN); employment status, history, or information; home address; phone number (personal); email address (personal); financial information; and relocation report.

Purpose & Use of Information in RELOCTAX

The data is used for audit of the FDIC employee or former employee's current year tax return associated with additional travel and/or income as a result of using FDIC's relocation service benefit.

¹ **Gross up Audit** refers to a review to ensure that all payments are made in the full amount, free of any deductions or withholdings, and without exercising right of set-off. The review will indicate if there is a mandatory withholding or deduction by operating of law (usually with respect to tax), then the paying party shall "gross up" the payment so that the receiving party receives the same net amount.

² **Cartus** is an FDIC vendor that supports the division of finance "Make Disbursements" and "Manage Travel and Relocation" business processes by process relocation-related payments for relocating employees. Cartus supports FDIC's mission by providing payment information for employees.

Sources of Information in RELOCTAX

The FDIC employee or former employee provides the information directly to RelocTax via email or mail.

Notice & Consent

Individuals do not have the opportunity to “opt out” of providing their data and/or consenting to particular uses of their information. In order to conduct the evaluation of the current or former FDIC employee’s tax return, RelocTax requires the name of the employee or retiree, along with the financial information contained on the tax return and a copy of their relocation report. However, RelocTax does not require the SSN, DOB, spouse’s name or children’s name; thus, the vendor encourages FDIC employees and retirees to redact this unnecessary PII prior to submitting it to them.

Access to Data in RELOCTAX

Only authorized RelocTax personnel who have executed Confidentiality Agreements with FDIC have a legitimate business “need to know” are granted access to all data submitted. Authorized RelocTax personnel utilize the data for purposes of performing the gross up audit. The FDIC employee/retiree is requested to supply RelocTax with a copy of their relocation report and tax return which contain their full name and address. However, if the employee/retiree does not redact the information on the tax return, there is the potential that the SSN, DOB, spouse’s name and children’s names will be shared. In addition, there is the potential that the employee/retiree may include their personal email address and personal telephone number in their correspondence with the vendor.

The Tax and Policy Staff in FDIC/DOF have access to all RelocTax audit reports which contain the name of the FDIC employee/retiree and tax status. RelocTax provides all audit reports to FDIC/DOF via secured email.

Data Sharing

Other Systems that Share or Have Access to Data in the System:

System Name	System Description	Type of Information Processed
N/A	N/A	N/A

Data Accuracy in RELOCTAX

Data is collected directly from individual FDIC employees and retirees by the vendor. As such, the vendor relies on these individuals to provide accurate data.

The FDIC provides no information to the vendor for the tax evaluation. The vendor uses their professional judgment to determine that the employee or retiree is sending accurate information.

Data Security for RELOCTAX

RelocTax is subject to periodic compliance reviews by FDIC. Per the contract, scheduled and unannounced inspections and assessments of RelocTax's facilities, personnel, hardware, software, and its security and privacy practices by either the FDIC information technology staff, the FDIC Inspector General, or the U.S. General Accountability Office (GAO). These inspections may be conducted either by phone, electronically, or in-person, on both a pre-award basis and throughout the term of the contract or task order, to ensure and verify compliance with FDIC IT security and privacy requirements.

The data collected from the FDIC employee or retiree resides in-house at RelocTax during the audit evaluation. Electronic data is stored within a separate email server contained in a secured locked room. The mail server has multiple firewalls and password protection. The documents are encrypted on the server. Audit evaluation results are encrypted, password protected, and forwarded to the FDIC for further determination.

RelocTax strongly suggests that any unnecessary PII is redacted, such as SSN, spouse's name, children's names, and DOB, from the form before it is forwarded to the vendor.

RelocTax's Chief Compliance Officer has overall accountability for ensuring the proper handling of FDIC employee/retiree data. All RelocTax personnel with access to the data are responsible for protecting privacy and abiding by the terms of FDIC's Confidentiality Agreement and RelocTax's corporate policies for data protection.

RelocTax must comply with the Incident Response and Incident Monitoring contractual requirement.

System of Records Notice (SORN)

RelocTax operates under the FDIC Privacy Act SORN, 30-64-0012, *Financial Information Management Records*.

Contact Us

To learn more about the FDIC's Privacy Program, please visit:

<http://www.fdic.gov/about/privacy/>.

If you have a privacy-related question or request, email Privacy@fdic.gov or one of the [FDIC Privacy Program Contacts](#). You may also mail your privacy question or request to the FDIC Privacy Program at the following address: 3501 Fairfax Drive, Arlington, VA 22226.

