DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
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To Agencies Serviced by the
Philadelphia Financial Center (PFC)

Management Letter 11-02
July 22, 2011

The Department of the Treasury, Financial Management Service (FMS), values the importance of privacy and the protection of personal identifiable information (PII). To that end, the suppression of Social Security Numbers (SSN) and Taxpayer Identification Numbers (TIN) in federal government Automated Clearing House (ACH) payments was begun in late 2010. As we phased in additional payments and increased the diversity of payment types in which the SSN/TIN was being suppressed, a number of issues have surfaced. One of the root problems is linked to third party or subsidiary account relationships. In these cases, the SSN/TIN provides the information that facilitates payments being posted or applied to a specific payee. Absent that information, the process breaks down and it becomes difficult if not impossible to apply the funds to the appropriate recipient.

The problem/issue has become prevalent enough that the decision has been made to suspend SSN/TIN suppression of Treasury disbursed ACH payments. This means that SSN/TIN numbers will once again be included in the ACH payment record as done previously, and this change should eliminate the problem/issue that payment recipients have recently experienced. The effective date of this change will be for payments dated on or after July 22, 2011.

Please note that this decision is expected to be a "temporary" solution. We (Treasury) will be working with the National Automated Clearing House Association (NACHA) and federal program agencies to identify and develop an appropriate approach to protect PII data throughout the entire ACH payment delivery cycle. We are confident that this multiple party effort will help to create an industry-wide solution to address this important issue.

Please contact Lisa Andre, Customer Service Branch Manager, if you have additional questions, she can be reached at 215-516-8142 or Lisa.Andre@fms.treas.gov.

Sincerely,

Joseph D. Vetro for

Elizabeth A. Belinsky
Regional Director