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Notices

DEPARTMENT OF THE TREASURY

Fiscal Service

Bureau of the Public Debt

Privacy Act of 1974, as Amended; System of Records

68 FR 34486

DATE: Monday, June 9, 2003

ACTION: Notice of Proposed Privacy Act System of Records.

[*34486]

SUMMARY: In accordance with the Privacy Act of 1974, as amended, the Bureau of the Public Debt (Public Debt) gives notice of a proposed system of records.

DATES: Comments must be received no later than July 9, 2003. The proposed system of records will be effective July 21, 2003 unless Public Debt receives comments which would result in a contrary determination.

ADDRESSES: Send any comments to the Disclosure Officer, Administrative [*34487] Resource Center, Bureau of the Public Debt, Department of the Treasury, 200 Third Street, Room 211, Parkersburg, WV 26101-5312. Copies of all written comments will be available for public inspection and copying at the Department of the Treasury Library, Room 1428, Main Treasury Building, Washington, DC 20220. Before visiting the library, you must call 202-622-0990 for an appointment. Also, you can download comments at the following World Wide Web address: "<http://www.publicdebt.treas.gov>"

FOR FURTHER INFORMATION CONTACT: For information about Public Debt's anti-money laundering and fraud suppression program, contact the Fraud Inquiry Line at 304-480-8555. The phone line is administered by the Office of the Chief Counsel, Bureau of the Public Debt. For information about this document, contact the Office of the Chief Counsel, Bureau of the Public Debt, at 304-480-8692.

SUPPLEMENTARY INFORMATION: The mission of Public Debt is to borrow the money needed to operate the Federal Government and to account for the resulting debt. Public Debt is establishing the U.S. Treasury Securities Fraud Information System to: (1) Identify and monitor fraudulent and suspicious activity related to Treasury securities and other U.S. obligations; (2) ensure that Public Debt provides a timely and appropriate notification of a possible

violation of law to law enforcement and regulatory agencies; (3) protect the Government and individuals from fraud and loss; (4) prevent the misuse of Treasury names and symbols on fraudulent instruments, and (5) compile summary reports, that conform with the spirit of the USA Patriot Act's anti-terrorism financing provisions and the Bank Secrecy Act's anti-money laundering provisions and submit the reports to the Financial Crimes Enforcement Network (FinCEN).

Public Debt has received widespread inquiries from entities and individuals who have been approached by parties in connection with offers of participation in various questionable securities practices and illegal financial instruments, some of which falsely use the Treasury name or symbol. Under *31 U.S.C. 321(a)(5)*, the Secretary of the Treasury has the general authority to "prescribe regulations that the Secretary considers best calculated to promote the public convenience and security, and to protect the Government and individuals from fraud and loss, that apply to anyone who may: (A) receive for the Government, Treasury notes, United States notes, or other Government securities; or (B) be engaged or employed in preparing and issuing those notes or securities." In addition, under *31 U.S.C. 333(a)*, no person may use the Department of the Treasury names, symbols, etc. "in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity * * * (of the Department) * * * or any officer or employee thereof." See also, 31 CFR part 27, "Civil Penalty Assessment for Misuse of Department of the Treasury Names, Symbols, Etc." Likewise, an "obligation or security of the United States" may not be photographed or reproduced, 31 CFR 103.52(a).

To ensure that the Treasury name and its products are protected from fraudulent transactions, Public Debt proposes to maintain records on entities and individuals who are potentially involved in questionable or illegal transactions and practices relating to Treasury securities and other U.S. obligations. These records might, but do not necessarily have to, include allegations of administrative, civil or criminal misconduct, from any source.

Public Debt sells Treasury bills, notes, and bonds as well as U.S. Savings Bonds to investors. In addition to maintaining records on questionable securities practices and illegal financial instruments, Public Debt proposes to maintain records on suspicious activities involving these legitimate Treasury products. Suspicious activity may be any information that Public Debt determines to have a high degree of usefulness in criminal, tax, and, regulatory investigations, or other proceedings, including credit card loss prevention programs.

In particular, Public Debt intends to establish due diligence policies, procedures, and controls that aid in the detection and reporting of any attempt at money laundering involving Treasury securities. Treasury, as an issuer of government securities and a provider of related investment services, is not addressed in the anti-terrorism and anti-money laundering provisions of the USA Patriot Act, the Bank Secrecy Act, or FinCEN's implementing regulations, 31 CFR part 103. Nevertheless, consistent with the purposes of these Acts, Public Debt will take anti-terrorism and anti-money laundering measures, maintain records, and report certain suspicious transactions to appropriate authorities, including FinCEN.

Pursuant to the Privacy Act of 1974, as amended, *5 U.S.C. 552a*, Public Debt is proposing to establish the following new system of records: Treasury/BPD.009-U.S. Treasury Securities Fraud Information System.

To assist Public Debt in its regulatory and oversight functions, this system will track complaints and inquiries concerning fraudulent or suspicious transactions related to Treasury securities and other U.S. obligations.

Public Debt proposes to exempt records maintained in the system from certain of the Privacy Act's requirements pursuant to *5 U.S.C. 552a(k)(2)*. A proposed rule to exempt this system from certain provisions of the Privacy Act will be published separately in the **Federal Register**.

The new system of records report, as required by *5 U.S.C. 552a(r)* of the Privacy Act, has been submitted to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate and the Office of Management and Budget, pursuant to Appendix I to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," dated November 30, 2000.

The proposed Public Debt system of records, U.S. Treasury Securities Fraud Information System, Treasury/BPD.009, is published in its entirety below.

Dated: June 3, 2003.

W. Earl Wright, Jr.,

Chief Management and Administrative Programs Officer.

Treasury/BPD.009

System name:

U.S. Treasury Securities Fraud Information System-Treasury/BPD.

System location:

The system of records is located at the Bureau of the Public Debt in Parkersburg, WV and Washington DC as well as the Federal Reserve Banks of Boston, Buffalo, Chicago, Dallas, Kansas City, Philadelphia, Pittsburgh, Richmond, and Minneapolis. This system also covers Public Debt records that are maintained by contractor(s) under agreement. The system manager(s) maintain(s) the system location of these records. The address(es) of the contractor(s) may be obtained from the system manager(s) below.

Categories of individuals covered by the system:

Individuals under investigation or who make inquiries or report fraudulent [*34488] or suspicious activities related to Treasury securities and other U.S. obligations.

Categories of records in the system:

The types of personal information collected/used by this system are necessary to ensure the accurate identification of individuals who report or make fraudulent transactions involving Treasury securities and other U.S. obligations. The types of personal information potentially could include the following:

(1) Personal identifiers (name, including previous name used, and aliases; Social Security number; Tax Identification Number; physical and electronic addresses; telephone, fax, and pager numbers), and;

(2) Authentication aids (personal identification number, password, account number, credit card number, shared-secret identifier, digitized signature, or other unique identifier).

Supporting records may contain correspondence between Public Debt and the entity or individual submitting a complaint or inquiry, correspondence between Public Debt and the Department of Treasury, or correspondence between Public Debt and law enforcement, regulatory bodies, or other third parties.

Authority for maintenance of the system:

31 U.S.C. 321(a)(5), 31 U.S.C. 333, 31 U.S.C. 3101, et seq. 31 U.S.C. 5318, and 5 U.S.C. 301.

Purpose(s):

Records in this system are used to: (1) Identify and monitor fraudulent and suspicious activity related to Treasury securities and other U.S. obligations; (2) ensure that Public Debt provides a timely and appropriate notification of a possible violation of law to law enforcement and regulatory agencies; (3) protect the Government and individuals from fraud and loss; (4) prevent the misuse of Treasury names and symbols on fraudulent instruments; and, (5) compile summary reports, that conform with the spirit of the USA Patriot Act's anti-terrorism financing provisions and the Bank Secrecy Act's anti-money laundering provisions, and submit the reports to the Financial Crimes Enforcement Network (FinCEN).

Routine uses of records maintained in the system, including categories of users and the purposes of such uses:

These records may be disclosed to:

(1) Congressional offices in response to an inquiry made at the request of the individual to whom the record pertains;

(2) Appropriate Federal, State, local, or foreign agencies responsible for investigating or prosecuting the violations of, or for enforcing or implementing a statute, rule, regulation, order, or license, where the disclosing agency becomes aware of a potential violation of civil or criminal law or regulation;

(3) 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 or in connection with criminal law proceedings or in response to a subpoena;

(4) Third parties during the course of an investigation to the extent necessary to obtain information pertinent to the investigation;

(5) Agents or contractors who have been engaged to assist Public Debt in the performance of a service related to this system of records and who need to have access to the records in order to perform the activity;

(6) The Department of Justice when seeking legal advice or when (a) the Department of the Treasury or (b) Public Debt, or (c) any employee of the agency in his or her official capacity, or (d) any employee of the agency in his or her individual capacity where the Department of Justice has agreed to represent the employee, or (e) the United States, where the agency determines that litigation is likely to affect the agency, is a party to litigation or has an interest in such litigation, and the use of such records by the Department of Justice is deemed by the agency to be relevant and necessary to the litigation.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage:

Records are maintained on electronic media, multiple client-server platforms that are backed-up to magnetic tape or other storage media, and/or hard copy.

Retrievability:

Records may be retrieved by (name, alias name, Social Security number, Tax Identification Number, account number, or other unique identifier).

Safeguards:

These records are maintained in controlled access areas. Identification cards are verified to ensure that only authorized personnel are present. Electronic records are protected by restricted access procedures, including the use of passwords and sign-on protocols which are periodically changed. Only employees whose official duties require access are allowed to view, administer, and control these records. Copies of records maintained on computer have the same limited access as paper records.

Retention and disposal:

Records are maintained in accordance with National Archives and Records Administration retention schedules. Paper and microform records ready for disposal are destroyed by shredding or maceration. Records in electronic media are electronically erased using accepted techniques.

System manager(s) and address:

(1) Assistant Commissioner, Office of Information Technology, Bureau of the Public Debt, 200 Third Street, Parkersburg, WV 26101

(2) Assistant Commissioner, Office of Investor Services, Bureau of the Public Debt, 200 Third Street, Parkersburg, WV 26101

(3) Assistant Commissioner, Office of Securities Operations, Bureau of the Public Debt, 200 Third Street, Parkersburg, WV 26101

(4) Chief Counsel, Office of Chief Counsel, Parkersburg Division, Bureau of the Public Debt, 200 Third Street, Parkersburg, WV 26101

Notification procedure:

This system of records is exempt from the Privacy Act provision on notification procedures. (See "Exemptions Claimed for the System," below.) An individual wishing to be notified if he or she is named in non-exempt records maintained in this system must submit a written request to the Disclosure Officer. See 31 CFR part 1, Subpart C, appendix I.

Identification Requirements: An individual seeking notification through the mail must establish his or her identity by providing a signature and an address as well as one other identifier bearing the individual's name and signature (such as a photocopy of a driver's license or other official document). An individual seeking notification in person must establish his or her identity by providing proof in the form of a single official document bearing a photograph (such as a passport or identification badge) or two items of identification that bear both a name and signature.

Alternatively, identity may be established by providing a notarized statement, swearing or affirming to an individual's identity, and to the fact that the individual understands the penalties provided in 5 U.S.C. 552a(i)(3) for requesting or obtaining information under false pretenses. [*34489]

Additional documentation establishing identity or qualification for notification may be required, such as in an instance where a legal guardian or representative seeks notification on behalf of another individual.

Record access procedures:

This system of records is exempt from the Privacy Act provision on record access procedures. (See "Notification Procedure" above.)

Contesting record procedures:

This system of records is exempt from the Privacy Act provision on contesting record procedures. (See "Notification Procedure" above.)

Record source categories:

This system of records is exempt from the Privacy Act provision which requires that record source categories be reported. (See "Exemptions Claimed for the System," below.)

Exemptions claimed for the system:

Records maintained in this system have been designated as exempt from 5 U.S.C. 552a(c)(3), (d)(1), (2), (3), and (4), (e)(1), (e)(4)(G), (H), and (I), and (f) of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2). See 31 CFR 1.36.

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