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DOCKET NO. PR-MISC
(63FR14497)

In the Matter of
PRIVACY ACT OF 1974, AS AMENDED, REVISIONS TO
SYSTEM OF RECORDS

DATE DOCKETED	DATE OF DOCUMENT	TITLE OR DESCRIPTION OF DOCUMENT
03/24/98	03/19/98	FEDERAL REGISTER NOTICE - SYSTEM OF RECORDS; PROPOSED REVISIONS

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NUCLEAR REGULATORY COMMISSION

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

Privacy Act of 1974, As Amended; Revisions to System of Records

AGENCY: Nuclear Regulatory Commission.

DOCKET NUMBER **PR**
PROPOSED RULE **PR** MISC
(63FR14497)

ACTION: System of records; proposed revisions.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (Privacy Act), the Nuclear Regulatory Commission (NRC) is proposing to amend the notice describing the system of records (system) currently entitled NRC-32, "Office of the Controller Financial Transactions and Debt Collection Management Records--NRC," by adding five new routine uses and revising five existing routine uses in order to permit NRC to comply with certain provisions of the Debt Collection Improvement Act of 1996 (DCIA), Pub. L. 104-134. The system notice was last published in the *Federal Register* on April 17, 1996.

EFFECTIVE DATES: The revised system of records will become effective without further notice on ~~(40 days from date of publication in the Federal Register)~~ *may 4, 1998* unless comments received on or before that date cause a contrary decision. If changes are made based on NRC's review of comments received, a new final notice will be published.

Pub. on 3/25/98

ADDRESSES: Send comments to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications staff. Hand deliver comments to 11555 Rockville Pike, Rockville, Maryland, between 7:30 a.m. and 4:15 p.m. Federal workdays. Copies of comments received may be examined, or copied for a fee, at the NRC Public Document Room at 2120 L Street, NW., Lower Level, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Jona L. Souder, Freedom of Information Act/Privacy Act Section, Information Services Branch, Information Management Division, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone: 301-415-7170.

SUPPLEMENTARY INFORMATION:

The DCIA contains various provisions intended to maximize the collection of delinquent debts, minimize the costs of debt collection, reduce losses arising from debt management activities, rely on the experience and expertise of private sector professionals to provide debt collection services to Federal agencies, and ensure that the public is fully informed of the Federal government's debt collection policies and that debtors are cognizant of their financial obligations to repay amounts owed to the government and have all appropriate due process rights.

The proposed revisions to NRC-32 will permit NRC to implement several new techniques for collecting debts and claims authorized or required by the DCIA. New routine use I. will permit NRC to refer nontax debts over 180 days delinquent to the Department of the Treasury (Treasury) for administrative offset against payments due elsewhere in the

government under the mandatory, government-wide Treasury Offset Program (TOP). TOP provides a single source for identifying delinquent debtors receiving government funds and, to the extent legally allowed, offsetting the delinquent debts using those same funds. New routine use m. will enable NRC to publicly disseminate the names of certain delinquent debtors and the existence of the debts for debt collection purposes. New routine use n. will enable NRC to match certain debtor records with the Department of Health and Human Services and the Department of Labor to obtain Taxpayer Identification Numbers required by the DCIA for each person doing business with Federal agencies. New routine uses o. and p. will permit NRC to disclose information if it decides or is required to sell delinquent nontax debts and to report information on collateralized debts to Congress pursuant to 37 U.S.C. 3711(i). Revised routine use b. will permit NRC to participate in a required program to annually match delinquent debt records due all agencies with records of Federal employees to identify those employees delinquent in repayment of certain nontax debts. Revised routine use d. will permit NRC to report current (not delinquent) and delinquent commercial and consumer nontax debt to credit bureaus for use in the administration of debt collection and to report delinquent debt information to the Office of Housing and Urban Development's Credit Alert Interactive Voice Response System. Routine uses e., h., and k. are revised to enable NRC to garnish non-Federal wages of certain delinquent debtors, to provide certain information on discharged debts to Treasury for reporting to the IRS, and to transfer to Treasury or approved Debt Collection Centers certain nontax debts over 180 days delinquent for further collection action. Current routine uses l., m., and n. are redesignated q., r., and s., respectively.

Other minor changes to the system notice for NRC-32 are also being made at this time and include renaming the system "Office of the Chief Financial Officer Financial Transactions and Debt Management Records--NRC" because of an agency reorganization, adding the DCIA

and the Federal Claims Collection Standards to the Authority section of the notice, and updating the System Manager's title and the Notification Procedures.

A report on the proposed revisions to NRC-32 is being sent to the Office of Management and Budget (OMB), the Committee on Governmental Affairs of the U.S. Senate, and the Committee on Government Reform and Oversight of the U.S. House of Representatives as required by the Privacy Act and OMB Circular No. A-130, Appendix I, "Federal Agency Responsibilities for Maintaining Records About Individuals."

Accordingly, NRC proposes to amend the system notice for NRC-32 in its entirety to read as follows:

NRC-32

SYSTEM NAME:

Office of the Chief Financial Officer Financial Transactions and Debt Collection Management Records--NRC.

SYSTEM LOCATION:

Primary system--Office of the Chief Financial Officer, NRC, 11545 Rockville Pike, Rockville, Maryland.

Duplicate systems--Duplicate systems exist, in whole or in part, at the locations listed in Addendum I, Parts 1 and 2. Other NRC systems of records contain payment and/or collection transaction records and background information that may duplicate some of the records in this system. These other systems include, but are not limited to:

NRC-5, Contracts Records Files--NRC;

NRC-7, Telephone Call Detail Records--NRC;

NRC-10, Freedom of Information Act (FOIA) and Privacy Act (PA) Requests--NRC;

NRC-18, Office of the Inspector General Investigative Records--NRC;

NRC-19, Official Personnel Training Records Files--NRC;

NRC-20, Official Travel Records--NRC;

NRC-21, Payroll Accounting Records--NRC;

NRC-24, Government Property Accountability System--NRC; and

NRC-41, Tort Claims and Personal Property Claims--NRC.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Individuals the NRC owes/owed money to or who receive/received a payment from NRC and those who owe/owed money to the United States. Individuals receiving payments include, but are not limited to, current and former employees, contractors, consultants, vendors, and others who travel or perform certain services for NRC. Individuals owing money include, but are not limited to, those who have received goods or services from NRC for which there is a charge or fee (NRC licensees, applicants for NRC licenses, Freedom of Information Act requesters, etc.) and those who have been overpaid and owe NRC a refund (current and former employees, contractors, consultants, vendors, etc.).

CATEGORIES OF RECORDS IN THE SYSTEM:

Information in the system includes, but is not limited to, names, addresses, telephone numbers, Social Security Numbers (SSN), Taxpayer Identification Numbers (TIN), Individual Taxpayer Identification Numbers (ITIN), fee categories, application and license numbers, contract numbers, vendor numbers, amounts owed, background and supporting documentation, correspondence concerning claims and debts, credit reports, and billing and payment histories. The overall agency accounting system contains data and information integrating accounting functions such as general ledger, funds control, travel, accounts receivable, accounts payable, equipment, and appropriation of funds. Although this system of records contains information on corporations and other business entities, only those records that contain information about

individuals that is retrieved by the individual's name or other personal identifier are subject to the Privacy Act.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. 552a(b)(12); 5 U.S.C. 5514; 15 U.S.C. 1681a(f); 26 U.S.C. 6103(m)(2); 31 U.S.C. 37, subchapters I and II; 31 U.S.C. 3701(a)(3) (1994); 31 U.S.C. 3711; 31 U.S.C. 3716; 31 U.S.C. 3717; 31 U.S.C. 3718; 31 U.S.C. 3720A (1994); 42 U.S.C. 2201; 42 U.S.C. 5841 (1994); Cash Management Improvement Act Amendments of 1992 (Pub. L. 102-589); Debt Collection Improvement Act of 1996 (Pub. L. 104-134); 4 CFR Parts 101-105; 10 CFR Parts 15, 16, 170, 171 (1997); Executive Order 9397, November 22, 1943; Section 201 of Executive Order 11222.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

In addition to the disclosures permitted under subsection (b) of the Privacy Act, the NRC may disclose information contained in this system of records without the consent of the subject individual if the disclosure is compatible with the purpose for which the record was collected under the following routine uses:

a. To debt collection contractors (31 U.S.C. 3718) or to other Federal agencies such as the Department of the Treasury (Treasury) for the purpose of collecting and reporting on delinquent debts as authorized by the Debt Collection Act of 1982 or the Debt Collection Improvement Act of 1996;

b. To Treasury; the Defense Manpower Data Center, Department of Defense; the United States Postal Service; government corporations; or any other Federal, State, or local agency to conduct an authorized computer matching program in compliance with the Privacy Act of 1974, as amended, to identify and locate individuals, including Federal employees, who

are delinquent in their repayment of certain debts owed to the U.S. Government, including those incurred under certain programs or services administered by the NRC, in order to collect debts under common law or under the provisions of the Debt Collection Act of 1982 or the Debt Collection Improvement Act of 1996 which include by voluntary repayment, administrative or salary offset, and referral to debt collection contractors.

c. To the Department of Justice, United States Attorney, Treasury, or other Federal agencies for further collection action on any delinquent account when circumstances warrant.

d. To credit reporting agencies/credit bureaus for the purpose of either adding to a credit history file or obtaining a credit history file or comparable credit information for use in the administration of debt collection. As authorized by the DCIA, NRC may report current (not delinquent) as well as delinquent consumer and commercial debt to these entities in order to aid in the collection of debts, typically by providing an incentive to the person to repay the debt timely. Proposed revisions to the Federal Claims Collection Standards (FCCS) published in the *Federal Register* on December 31, 1997, direct agencies to report information on delinquent debts to the Department of Housing and Urban Development's Credit Alert Interactive Voice Response System (CAIVRS). NRC will report this information to CAIVRS if this requirement is contained in the final rule amending the FCCS.

e. To any Federal agency where the debtor is employed or receiving some form of remuneration for the purpose of enabling that agency to collect a debt owed the Federal government on NRC's behalf by counseling the debtor for voluntary repayment or by initiating administrative or salary offset procedures, or other authorized debt collection methods under the provisions of the Debt Collection Act of 1982 or the Debt Collection Improvement Act of 1996. Pursuant to the DCIA, NRC may garnish non-Federal wages of certain delinquent debtors so long as required due process procedures are followed. In these instances, NRC's

notice to the employer will disclose only the information that may be necessary for the employer to comply with the withholding order.

f. To the Internal Revenue Service (IRS) by computer matching to obtain the mailing address of a taxpayer for the purpose of locating such taxpayer to collect or to compromise a Federal claim by NRC against the taxpayer pursuant to 26 U.S.C. 6103(m)(2) and in accordance with 31 U.S.C. 3711, 3717, and 3718 or common law. Redisclosure of a mailing address obtained from the IRS may be made only for debt collection purposes, including to a debt collection agent to facilitate the collection or compromise of a Federal claim under the Debt Collection Act of 1982 or the Debt Collection Improvement Act of 1996, except that redisclosure of a mailing address to a reporting agency is for the limited purpose of obtaining a credit report on the particular taxpayer. Any mailing address information obtained from the IRS will not be used or shared for any other NRC purpose or disclosed by NRC to another Federal, State, or local agency which seeks to locate the same taxpayer for its own debt collection purposes.

g. To refer legally enforceable debts to the IRS or to Treasury's Debt Management Services to be offset against the debtor's tax refunds under the Federal Tax Refund Offset Program.

h. To prepare W-2, 1099, or other forms or electronic submittals, to forward to the IRS and applicable State and local governments for tax reporting purposes. Under the provisions of the DCIA, NRC is permitted to provide Treasury with Form 1099-C information on discharged debts so that Treasury may file the form on NRC's behalf with the IRS. W-2 and 1099 Forms contain information on items to be considered as income to an individual, including certain travel related payments to employees, payments made to persons not treated as employees (e.g., fees to consultants and experts), and amounts written-off as legally or administratively uncollectible, in whole or in part.

i. To banks enrolled in the Treasury Credit Card Network to collect a payment or debt when the individual has given his or her credit card number for this purpose.

j. To another Federal agency that has asked the NRC to effect an administrative offset under common law or under 31 U.S.C. 3716 to help collect a debt owed the United States.

Disclosure under this routine use is limited to name, address, SSN, TIN, ITIN, and other information necessary to identify the individual; information about the money payable to or held for the individual; and other information concerning the administrative offset.

k. To Treasury or other Federal agencies with whom NRC has entered into an agreement establishing the terms and conditions for debt collection cross servicing operations on behalf of the NRC to satisfy, in whole or in part, debts owed to the U.S. government. Cross servicing includes the possible use of all debt collection tools such as administrative offset, tax refund offset, referral to debt collection contractors, and referral to the Department of Justice. The DCIA requires agencies to transfer to Treasury or Treasury-designated Debt Collection Centers for cross servicing certain nontax debt over 180 days delinquent. Treasury has the authority to act in the Federal government's best interest to service, collect, compromise, suspend, or terminate collection action in accordance with existing laws under which the debts arise.

l. Information on past due, legally enforceable nontax debts more than 180 days delinquent will be referred to Treasury for the purpose of locating the debtor and/or effecting administrative offset against monies payable by the government to the debtor, or held by the government for the debtor under the DCIA's mandatory, government-wide Treasury Offset Program (TOP). Under TOP, Treasury maintains a database of all qualified delinquent nontax debts, and works with agencies to match by computer their payments against the delinquent debtor database in order to divert payments to pay the delinquent debt. Treasury has the

authority to waive the computer matching requirement for NRC and other agencies upon written certification that administrative due process notice requirements have been complied with.

m. For debt collection purposes, NRC may publish or otherwise publicly disseminate information regarding the identity of delinquent nontax debtors and the existence of the nontax debts under the provisions of the Debt Collection Improvement Act of 1996.

n. To the Department of Labor (DOL) and the Department of Health and Human Services (HHS) to conduct an authorized computer matching program in compliance with the Privacy Act of 1974, as amended, to match NRC's debtor records with records of DOL and HHS to obtain names, name controls, names of employers, addresses, dates of birth, and TINs. The DCIA requires all Federal agencies to obtain taxpayer identification numbers from each individual or entity doing business with the agency, including applicants and recipients of licenses, grants, or benefit payments; contractors; and entities and individuals owing fines, fees, or penalties to the agency. NRC will use TINs in collecting and reporting any delinquent amounts resulting from the activity and in making payments.

o. If NRC decides or is required to sell a delinquent nontax debt pursuant to 31 U.S.C. 3711(i), information in this system of records may be disclosed to purchasers, potential purchasers, and contractors engaged to assist in the sale or to obtain information necessary for potential purchasers to formulate bids and information necessary for purchasers to pursue collection remedies.

p. If NRC has current and delinquent collateralized nontax debts pursuant to 31 U.S.C. 3711(i)(4)(A), certain information in this system of records on its portfolio of loans, notes and guarantees, and other collateralized debts will be reported to Congress based on standards developed by the Office of Management and Budget , in consultation with Treasury.

q. To Treasury in order to request a payment to individuals owed money by the NRC.

r. To the National Archives and Records Administration or to the General Services Administration for records management inspections conducted under 44 U.S.C. 2904 and 2906.

s. For any of the routine uses specified in the Prefatory Statement of General Routine Uses.

DISCLOSURES TO CONSUMER REPORTING AGENCIES:

DISCLOSURES PURSUANT TO 5 U.S.C. 552a(b)(12)

Disclosures of information to a consumer reporting agency are not considered a routine use of records. Disclosures may be made from this system to "consumer reporting agencies" as defined in the Fair Credit Reporting Act (15 U.S.C. 1681(a)(f)) or the Federal Claims Collection Act of 1966, as amended (31 U.S.C. 3701(a)(3)).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Information in this system is stored on paper and microfiche, and in computer media.

RETRIEVABILITY:

Information is retrieved a number of ways, including by name, SSN, TIN, license or application number, contract or purchase order number, invoice number, voucher number, and vendor code.

SAFEGUARDS:

Records in the primary system are maintained in a building where access is controlled by a security guard force. Records are kept in lockable file rooms or at user's workstations in an area where access is controlled by keycard and is limited to NRC and contractor personnel who need the records to perform their official duties. The records are under visual control

during duty hours. Access to automated data requires use of proper password and user identification codes by NRC or contractor personnel.

RETENTION AND DISPOSAL:

Paper records are destroyed when six years and three months old in accordance with GRS 6-1.a except that administrative claims files, for which collection action is terminated without extension, are destroyed when ten years and three months old in accordance with GRS 6-10.b. Computer files are deleted after the expiration of the retention period authorized under the GRS for the disposable hard copy file or when no longer needed, whichever is later.

SYSTEM MANAGER:

Director, Division of Accounting and Finance, Office of the Chief Financial Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

NOTIFICATION PROCEDURES:

Individuals seeking to determine whether this system of records contains information pertaining to themselves should write to the Freedom of Information Act and Privacy Act Officer, Office of the Chief Information Officer, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and comply with the procedures contained in NRC's Privacy Act regulations, 10 CFR part 9.

RECORDS ACCESS PROCEDURES:

Same as "Notification Procedures."

CONTESTING RECORD PROCEDURES:

Same as "Notification Procedures."

RECORD SOURCE CATEGORIES:

Record source categories include, but are not limited to, individuals covered by the system, their attorneys, or other representatives; NRC; collection agencies or contractors;

employing agencies of debtors; and Federal, State and local agencies.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

Dated at Rockville, MD, this 19th day of March, 1998.

For the Nuclear Regulatory Commission.



A. J. Galante
Chief Information Officer