

DATES: Comments must be received by January 16, 1996. If no comments are received which precipitate changes to the system, the system will become effective on January 23, 1996.

ADDRESSES: Send comments to: Chief, Dissemination Branch, Records Management and Information Policy, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552. These submissions may be hand-delivered to 1700 G Street, NW, from 9 am to 5 pm on business days; they may be sent by facsimile transmission to FAX number (202) 906-7755. Comments will be available for inspection at 1700 G Street, NW, from 1 pm until 4 pm on business days.

FOR FURTHER INFORMATION CONTACT: Randy Thomas, Special Counsel, General Law Division, (202) 906-7945.

SUPPLEMENTARY INFORMATION: OTS is amending its existing system of records entitled Confidential Individual Information System, Treasury/OTS .001, last published in the Federal Register at 60 FR 13770, (March 14, 1995) for which it has promulgated exemption rules pursuant to exemptions (j)(2) and (k)(2) of the Privacy Act, 5 U.S.C. 552a(j)(2) and (k)(2).

Certain of the changes to the system reflect a proposed agreement between FinCEN, the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the OTS, and the National Credit Union Administration (NCUA) (the Federal financial regulatory agencies) to store Suspicious Activity Reports (SAR) in electronic form in a database maintained by FinCEN and located at the Internal Revenue Service (IRS) Computing Center in Detroit, Michigan. It is proposed that the IRS Computing Center, as a contractor to FinCEN and the Federal financial regulatory agencies, will operate and administer the computer system that supports the SAR database. Except for a limited number of authorized personnel from the Criminal Investigation Division, employees of the IRS will not have access to the SAR database.

The SAR is being adopted by all Federal financial regulatory agencies as a replacement for the Criminal Referral Form, which has been used by depository institutions to report suspected criminal activity to the Federal financial regulatory agencies and the Federal law enforcement authorities (see FRB and OCC proposed rules at 60 FR 34481 and 60 FR 34476, respectively, July 3, 1995, and OTS proposed rules at 60 FR 36366, July 17, 1995), and by Treasury to implement

suspicious financial transaction reporting rules (see Treasury proposed rulemaking at 60 FR 46556, September 7, 1995).

Information from the Criminal Referral Form is included in the existing Information System, and similar information will continue to be collected by the SAR. In addition to reports of suspected criminal activity, the SAR will also allow a financial institution to report suspicious financial transactions under Federal money laundering statutes, pursuant to Treasury regulations (31 CFR part 103). This information, which may include financial transactions by individuals, will be included in the existing Information System. Only the information collected by the SAR, and its status updates, will be located in the database maintained by FinCEN; all other information in the Information System is located at the OTS.

Pursuant to the inter-agency agreement between FinCEN and the Federal financial regulatory agencies, FinCEN will manage a computerized database containing the SAR, and status updates, which is information currently collected and/or maintained separately by each of the Federal financial regulatory agencies. With regard to this database, only those records generated under the jurisdiction of the OTS are considered to be OTS records for purposes of the Privacy Act. Access to and use of these OTS records by other agencies continue to be governed by the routine uses in the OTS's Information System.

Accordingly, the "Routine Uses" element is amended to reflect the sharing among Federal financial regulatory agencies and law enforcement agencies of the information collected by the SAR and the status updates. Other changes consist of the following: Three of the system's former routine uses (numbers 1, 3, and 6) are being retained and renumbered as new routine uses 1, 3, and 7. One former routine use (number 4) is being deleted. Two former routine uses (numbers 2 and 5) have been revised and renumbered, respectively, as new routine uses 4 and 5. New routine use number 4 clarifies that system records may be used to make referrals to any appropriate governmental or self-regulatory entity with authority to administer law, rule, policy, or license. New routine use number 5 clarifies that system records may be referred to bar, trade, or professional organizations for possible disciplinary action.

Additionally, the "Safeguards" element is amended to add that on-line access to the computerized database

maintained by FinCEN is limited to authorized individuals who have been specified by each participating agency and Treasury, and who have been issued a non-transferable identifier or password. Other amendments reflect organizational changes and are not significant. The exemptions for this system of records continue to be (j)(2) and (k)(2), because the information consists of investigatory material compiled for law enforcement purposes.

The altered 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 1 to OMB Circular A-130, Federal Agency Responsibilities for Maintaining Records About Individuals, dated July 15, 1994.

The proposed altered system of records, Treasury/OTS .001, Confidential Individual Information System, is published in its entirety below.

DATED: December 5, 1995.

Alex Rodriguez,
Deputy Assistant Secretary (Administration).

Treasury/OTS .001

SYSTEM NAME:

Confidential Individual Information System - Treasury/OTS.

SYSTEM LOCATION:

Enforcement Division, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552. Computerized records of Suspicious Activity Reports (SAR), with status updates, are managed by FinCEN pursuant to a contractual agreement, and are stored the Internal Revenue Service's Computing Center in Detroit, Michigan. Authorized personnel at the Federal financial regulatory agencies have on-line access to the computerized database managed by FinCEN through individual work stations that are linked to the database central computer.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Directors, officers, employees, agents, borrowers, and persons participating in the conduct of the affairs of entities regulated by the OTS who have been involved in suspected criminal activity or suspicious financial transactions and referred to law enforcement officials; and other individuals who have been involved in irregularities, violations of law, or unsafe or unsound practices