

# FEDERAL DEPOSIT INSURANCE CORPORATION

## Privacy Act of 1974; System of Records

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Notice of Modified Systems of Records.

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**SUMMARY:** Pursuant to the provisions of the Privacy Act of 1974, as amended, the FDIC proposes the following changes to its Privacy Act system of records notices: (1) Revise one existing routine use and add one new routine use in all system notices to conform with Office of Management and Budget (OMB) guidance to federal agencies regarding response and remedial efforts in the event of a data breach; (2) Add one new routine use to permit disclosure of Freedom of Information Act (FOIA) request records to the Office of Government Information Services (OGIS) so that it may fulfill its statutory responsibilities; and (3) Make non-substantive editorial and formatting changes to all system notices for clarity and to conform to the updated system notice template prescribed in OMB Circular A-108. We hereby publish this notice for comment on the proposed actions.

**DATES:** This action will become effective on July 22, 2019. The routine uses in this action will become effective 30 days after publication, unless the FDIC makes changes based on comments received. Written comments should be submitted on or before the effective date.

**ADDRESSES:** Interested parties are invited to submit written comments identified by *Privacy Act Systems of Records* by any of the following methods:

- *Federal eRulemaking Portal:* <http://regulations.gov>. Follow the instructions for submitting comments.
- *Agency Website:* <https://www.FDIC.gov/regulations/laws/federal>. Follow the instructions for submitting comments on the FDIC website.
- *Email:* [Comments@fdic.gov](mailto:Comments@fdic.gov).
- *Mail:* Gary Jackson, Counsel, Federal Deposit Insurance Corporation, 550 17<sup>th</sup> Street NW, Virginia Square D-8012, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17<sup>th</sup> Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

**FOR FURTHER INFORMATION CONTACT:** Shannon Dahn, Chief, Privacy Section, Phone (703) 516-1162, Email [sdahn@fdic.gov](mailto:sdahn@fdic.gov); or Gary Jackson, Counsel, Phone (703) 562-2677, Email, [gjackson@fdic.gov](mailto:gjackson@fdic.gov).

**SUPPLEMENTARY INFORMATION:** The Privacy Act, 5 U.S.C. 552a, at subsection (b)(3), requires each agency to publish, for public notice and comment, routine uses describing any disclosures of information about an individual that the agency intends to make from a Privacy Act system of records without the individual's prior written consent, other than those which are authorized directly in the Privacy Act at subsections (b)(1)-(2) and (b)(4)-(12). The Privacy Act

defines “routine use” at subsection (a)(7) to mean a disclosure for a purpose compatible with the purpose for which the record was collected.

In accordance with OMB Memorandum M-17-12, issued January 3, 2017, titled “*Preparing for and Responding to a Breach of Personally Identifiable Information*,” the FDIC is modifying its current general routine use number (4) and adding a new general routine use number (5) to each system notice to authorize the FDIC to disclose information when necessary to obtain assistance with a suspected or confirmed data breach or to assist another agency in its response to a breach. The first routine use presented below is a revised version of current general routine use number (4) prescribed in former OMB Memorandum M-07-16 and first published in the *Federal Register* by the FDIC on October 29, 2007 (72 FR 61131). The second new general routine use presented below is being added to each the FDIC system notice as number (5) and all routine uses have been renumbered to account for this addition.

(4) To appropriate agencies, entities, and persons when (a) the FDIC suspects or has confirmed that there has been a breach of the system of records; (b) the FDIC has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, the FDIC (including its information systems, programs, and operations), the Federal Government, or national security; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the FDIC’s efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.

(5) To another Federal agency or Federal entity, when the FDIC determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.

The FDIC is also adding a new routine use to the FDIC 30-64-0022, Freedom of Information Act and Privacy Act Request Records, as presented below. This new routine use will permit records to be provided to the National Archives and Records Administration, Office of Government Information Services (OGIS) for purposes set forth under 5 U.S.C. 552(h), including to review agency compliance with FOIA, provide mediation services to resolve FOIA disputes, and identify policies and procedures for improving FOIA compliance.

(9) To the National Archives and Records Administration, Office of Government Information Services (OGIS) to the extent necessary to fulfill its responsibilities in 5 U.S.C. 552(h), to review administrative agency policies, procedures, and compliance with the Freedom of Information Act (FOIA), and to facilitate OGIS’s offering of mediation services to resolve disputes between persons making FOIA requests and administrative agencies.

In addition, this notice makes non-substantive editorial and formatting changes to all system notices for clarity and to conform to the updated system notice template prescribed in

OMB Circular A-108. More detailed information on the revised systems of records may be viewed in the complete text below.

The report of modified systems of records has been submitted to the Committee on Oversight and Government Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Office of Management and Budget, pursuant to OMB Circular A-108, "Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act" and the Privacy Act, 5 U.S.C. 552a(r).

The FDIC last published a complete list of its system notices in the *Federal Register* on October 30, 2015 (80 FR 66981). This publication may be viewed on the FDIC's Privacy Program web page at [www.fdic.gov/about/privacy](http://www.fdic.gov/about/privacy).

**SYSTEM NAME AND NUMBER:** Beneficial Ownership Filings (Securities Exchange Act), FDIC-30-64-0025.

**SECURITY CLASSIFICATION:** Unclassified.

**SYSTEM LOCATION:** Division of Risk Management Supervision, FDIC, 550 17th Street NW, Washington, DC 20429. Duplicate systems may exist, in whole or in part, at secure sites and on secure servers maintained by third-party service providers for the FDIC.

**SYSTEM MANAGER(S):** Chief, Accounting & Securities Disclosure Section, Division of Risk Management Supervision, FDIC, 550 17th Street, NW, Washington, DC 20429.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:** Sections 12(i) and 16(a) of the Securities Exchange Act of 1934 (respectively, 15 U.S.C. 78l(i) and 78p(a)).

**PURPOSE(S) OF THE SYSTEM:** In accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended by section 403 of the Sarbanes-Oxley Act of 2002, this information is being made available to the public on the FDIC's external internet website in order to facilitate the more efficient transmission, dissemination, analysis, storage and retrieval of insider ownership and transaction information in a manner that will benefit investors, filers and financial institution regulatory agencies.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:** (1) Any director or officer of an FDIC-insured depository institution with a class of equity securities registered pursuant to section 12 of the Securities Exchange Act of 1934, and (2) Any person who is directly or indirectly the beneficial owner of greater than 10% of a class of equity securities issued by an FDIC-insured depository institution that are registered under section 12 of the Securities Exchange Act of 1934; including any trust, trustee, beneficiary or settlor required to report pursuant to Securities and Exchange Commission Rule 16a-8.

**CATEGORIES OF RECORDS IN THE SYSTEM:** Reporting persons submit electronically or on paper reports on any of the following three forms: "Initial Statement of Beneficial Ownership of Securities," "Statement of Changes in Beneficial Ownership of Securities" and

“Annual Statement of Beneficial Ownership of Securities.” Reporting persons are required to use these forms to disclose ownership and transactional information relative to their beneficial ownership of securities of FDIC-insured depository institutions with securities registered under the Securities Exchange Act of 1934. Under section 403 of the Sarbanes-Oxley Act of 2002, these forms must be submitted in electronic form and must be made available to the public on a Federal agency's external internet website. The forms require disclosure of the name of the financial institution, relationship of reporting person to the financial institution, reporting person's name and street address, date of form or amendment, and filer's signature and date. A description of the securities' terms and transactional information including transaction date, type of transaction, amount of securities acquired or disposed, price, aggregate amount of securities beneficially owned, and form and nature of beneficial ownership must also be disclosed on the forms.

**RECORD SOURCE CATEGORIES:** Information originates from (1) any director or officer of an FDIC-insured depository institution with a class of equity securities registered pursuant to section 12 of the Securities Exchange Act of 1934; and (2) any beneficial owner of greater than 10% of an FDIC-insured depository institution with a class of equity securities registered under the Securities Exchange Act of 1934, including any trust, trustee, beneficiary or settlor required to report pursuant to SEC Rule 16a-8.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:** In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, all or a portion of the records or information contained in this system may be disclosed outside the FDIC as a routine use as follows:

- (1) To appropriate Federal, State, local and foreign authorities responsible for investigating or prosecuting a violation of, or for enforcing or implementing a statute, rule, regulation, or order issued, when the information indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto;
- (2) To a court, magistrate, or other administrative body in the course of presenting evidence, including disclosures to counsel or witnesses in the course of civil discovery, litigation, or settlement negotiations or in connection with criminal proceedings, when the FDIC is a party to the proceeding or has a significant interest in the proceeding, to the extent that the information is determined to be relevant and necessary;
- (3) To a congressional office in response to an inquiry made by the congressional office at the request of the individual who is the subject of the record;
- (4) To appropriate agencies, entities, and persons when (a) the FDIC suspects or has confirmed that there has been a breach of the system of records; (b) the FDIC has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, the FDIC (including its information systems, programs, and operations), the Federal Government, or national security; the FDIC and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the FDIC's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm;

- (5) To another Federal agency or Federal entity, when the FDIC determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (a) responding to a suspected or confirmed breach or (b) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.
- (6) To appropriate Federal, State, and local authorities in connection with hiring or retaining an individual, conducting a background security or suitability investigation, adjudication of liability, or eligibility for a license, contract, grant, or other benefit;
- (7) To appropriate Federal, State, and local authorities, agencies, arbitrators, and other parties responsible for processing any personnel actions or conducting administrative hearings or corrective actions or grievances or appeals, or if needed in the performance of other authorized duties;
- (8) To officials of a labor organization when relevant and necessary to their duties of exclusive representation concerning personnel policies, practices, and matters affecting working conditions;
- (9) To appropriate Federal agencies and other public authorities for use in records management inspections;
- (10) To contractors, grantees, volunteers, and others performing or working on a contract, service, grant, cooperative agreement, or project for the FDIC, the Office of Inspector General, or the Federal Government for use in carrying out their obligations under such contract, grant, agreement or project; and
- (11) To the appropriate governmental or self-regulatory organizations when relevant to the organization's regulatory or supervisory responsibilities or if the information is relevant to a known or suspected violation of a law or licensing standard within that organization's jurisdiction.

**POLICIES AND PRACTICES FOR STORAGE OF RECORDS:** Records are stored in electronic media and in paper format within individual file folders.

**POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:** Electronically filed reports are indexed and retrieved by the name of the reporting party. Paper-filed reports are indexed by the name of the depository institution issuing the securities being reported, with sub-indexing by the filer's name.

**POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:** Records are maintained for fifteen years from the date of filing. Disposal is by shredding or other appropriate disposal methods.

**ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:** Electronic records are password-protected and accessible only by authorized personnel. Paper records are maintained in lockable metal file cabinets accessible only to authorized personnel.

**RECORD ACCESS PROCEDURES:** Individuals wishing to request access to records about them in this system of records must submit their request in writing to the FDIC FOIA & Privacy Act Group, 550 17th Street, NW, Washington, DC 20429, or email [efoia@fdic.gov](mailto:efoia@fdic.gov). Requests

must include full name, address, and verification of identity in accordance with FDIC regulations at 12 CFR part 310.

**CONTESTING RECORD PROCEDURES:** Individuals wishing to contest or request an amendment to their records in this system of records must submit their request in writing to the FDIC FOIA & Privacy Act Group, 550 17th Street, NW, Washington, DC 20429, or email [efoia@fdic.gov](mailto:efoia@fdic.gov). Requests must specify the information being contested, the reasons for contesting it, and the proposed amendment to such information in accordance with FDIC regulations at 12 CFR part 310.

**NOTIFICATION PROCEDURES:** Individuals wishing to know whether this system contains information about them must submit their request in writing to the FDIC FOIA & Privacy Act Group, 550 17th Street, NW, Washington, DC 20429, or email [efoia@fdic.gov](mailto:efoia@fdic.gov). Requests must include full name, address, and verification of identity in accordance with FDIC regulations at 12 CFR part 310.

**EXEMPTIONS PROMULGATED FOR THE SYSTEM:** None.

**HISTORY:** 80 FR 66981 (October 30, 2015).