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DEPARTMENT OF JUSTICE

28 CFR Part 16

[CPCLO Order No. 003-2018]

Privacy Act of 1974; Implementation

AGENCY: United States Department of Justice, Office of Inspector General.

ACTION: Notice of proposed rulemaking.

SUMMARY: Elsewhere in this issue of the Federal Register, the Office of Inspector General (OIG), a component within the United States Department of Justice (DOJ or Department), has published a new system of records notice, “Data Analytics Program Records System,” JUSTICE/OIG-006. In this notice of proposed rulemaking, OIG proposes to exempt this system of records from certain provisions of the Privacy Act in order to avoid interference with the law enforcement functions and responsibilities of OIG. For the reasons provided below, the Department proposes to amend its Privacy Act regulations by establishing an exemption for records in this system from certain provisions of the Privacy Act. Public comment is invited.

DATES: Comments must be received by **[INSERT DATE 30 AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may send comments by any of the following methods:

- E-mail: privacy.compliance@usdoj.gov. To ensure proper handling, please reference the CPCLO Order Number in the subject line of the message.

- Fax: 202-307-0693. To ensure proper handling, please reference the CPCLO Order Number on the accompanying cover page.
- Mail: United States Department of Justice, Office of Privacy and Civil Liberties, ATTN: Privacy Analyst, National Place Building, 1331 Pennsylvania Avenue, NW, Suite 1000, Washington, DC 20530. All comments sent via regular or express mail will be considered timely if postmarked on the day the comment period closes. To ensure proper handling, please reference the CPCLO Order Number in your correspondence.
- Federal eRulemaking Portal: <https://www.regulations.gov>. When submitting comments electronically, you must include the CPCLO Order Number in the subject box. Please note that the Department is requesting that electronic comments be submitted before midnight Eastern Time on the day the comment period closes.

Posting of Public Comments: Please note that all comments received are considered part of the public record and made available for public inspection online at <https://www.regulations.gov> and in the Department's public docket. Such information includes personally identifying information (such as name, address, etc.) voluntarily submitted by the commenter. If you want to submit personal identifying information as part of your comment, but do not want it to be posted online or made available in the public docket, you must include the phrase "PERSONAL IDENTIFYING INFORMATION" in the first paragraph of your comment. You must also place all personal identifying information that you do not want posted online or made available in

the public docket in the first paragraph of your comment and identify what information you want redacted.

If you want to submit confidential business information as part of your comment, but do not want it to be posted online or made available in the public docket, you must include the phrase “CONFIDENTIAL BUSINESS INFORMATION” in the first paragraph of your comment. You must also prominently identify confidential business information to be redacted within the comment. If a comment has so much confidential business information that it cannot be effectively redacted, all or part of that comment may not be posted online or made available in the public docket.

Personal identifying information and confidential business information identified and located as set forth above will be redacted and the comment, in redacted form, may be posted online and placed in the Department’s public docket file. Please note that the Freedom of Information Act applies to all comments received. If you wish to inspect the agency’s public docket file in person by appointment, please see the “FOR FURTHER INFORMATION CONTACT” paragraph, below.

FOR FURTHER INFORMATION CONTACT: William Blier, General Counsel, Office of the General Counsel, Office of the Inspector General, Department of Justice, 950 Pennsylvania Avenue, NW, Washington, DC 20530, (202) 514-3435.

SUPPLEMENTARY INFORMATION: Under the Inspector General Act of 1978, as amended, Inspectors General, including the DOJ Inspector General, are responsible for conducting, supervising, and coordinating audits and investigations relating to programs and operations of the Federal agency for which their office is established to recognize and mitigate fraud, waste, and abuse. The Data Analytics Program Records System,

JUSTICE/OIG-006, facilitates OIG's performance of this statutory responsibility by maintained records as part of a data analytics (DA) program to assist with the performance of OIG audits, investigations, and reviews, and accommodate the requirements of the Digital Accountability and Transparency Act of 2014 (DATA Act), Pub. L. 113-101, 128 Stat. 1146.

The DA program will provide OIG: timely insights from the data already stored in DOJ databases that OIG has legal authorization to access and maintain; the ability to monitor and analyze data for patterns and correlations that signal wasteful, fraudulent, or abusive activities impacting Department performance and operations; the ability to find, acquire, extract, manipulate, analyze, connect, and visualize data; the capability to manage vast amounts of data; the ability to identify significant information that can improve decision quality; and the ability to mitigate risk of waste, fraud, and abuse. The DA program will also allow the OIG to obtain technology to develop risk indicators that can analyze large volumes of data and help focus the OIG's efforts to combat waste, fraud, and abuse. OIG intends to use statistical and mathematical techniques to identify areas to conduct audits and identify activities that may indicate whether an investigation is warranted. The information maintained within JUSTICE/OIG-006 will be limited to only information that OIG has legal authorization to collect and maintain as part of its responsibility to conduct, supervise, and coordinate audits and investigations of Department programs and operations to recognize and mitigate fraud, waste, and abuse.

In this rulemaking, OIG proposes to exempt JUSTICE/OIG-006 from certain provisions of the Privacy Act in order to avoid interference with the law enforcement responsibilities of OIG, as established in federal law and policy.

Additionally, as an administrative matter, this proposal will replace the current paragraphs (c) and (d) of 28 CFR 16.75, which currently exempt from certain provisions of the Privacy Act a previously rescinded OIG system of records notice (SORN), “Office of the Inspector General, Freedom of Information/Privacy Acts (FOI/PA) Records,” JUSTICE/OIG-003, from certain provisions of the Privacy Act. On June 4, 2001, at 77 FR 26580, the Department modified the Department-wide SORN, “Freedom of Information Act, Privacy Act, and Mandatory Declassification Review Records,” JUSTICE/DOJ-004, to consolidate all DOJ Freedom of Information Act, Privacy Act, Mandatory Declassification Review Request, and Administrative Appeal systems of records under one Department-wide SORN. Accordingly, the Department rescinded, among other SORNs, JUSTICE/OIG-003. OIG no longer requires exemption regulations for JUSTICE/OIG-003 and proposes to replace the existing exemption regulations with exemption regulations for JUSTICE/OIG-006.

Executive Orders 12866 and 13563

This proposed rule is not a “significant regulatory action” within the meaning of Executive Order 12866 and the principles reaffirmed in Executive Order 13563. Accordingly, it is not subject to review by the Office of Information and Regulatory Affairs within Office of Management and Budget, pursuant to Executive Order 12866.

Regulatory Flexibility Act

This proposed rule will only impact certain Privacy Act-protected records on individuals maintained by OIG in the above-mentioned system of records. A “record” for purposes of the Privacy Act is any item, collection, or grouping of information about an individual that is maintained by an agency (for example, the individual’s education

information, financial transactions, medical history, criminal history, or employment history) that contains the individual's name, or the identifying number, symbol, or other identifying particular assigned to the individual. Such records are personal and generally do not apply to an individual's entrepreneurial capacity, subject to limited exceptions. As such, the Chief Privacy and Civil Liberties Officer certifies that this proposed rule will not result in a significant economic impact on a substantial number of small entities, pursuant to the requirements of the Regulatory Flexibility Act of 1980, 5 U.S.C. 601-610.

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996, 5 U.S.C. 801 *et seq.*, requires the Department to comply with small entity requests for information and advice about compliance with statutes and regulations within the Department's jurisdiction. Any small entity that has a question regarding this document may contact the person listed in the "FOR FURTHER INFORMATION CONTACT" paragraph, above. Persons can obtain further information regarding SBREFA on the Small Business Administration's website at <https://www.sba.gov/advocacy>.

Executive Order 13132

This proposed rule does not have federalism implications warranting the application of Executive Order 13132. The proposed rule does not have substantial direct effects on the States, on the relationship between the national government and the States, or the distribution of power and responsibilities among the various levels of government.

Executive Order 13175

This proposed rule does not have tribal implications warranting the application of Executive Order 13175. It does not have substantial direct effects on one or more Indian

tribes, on the relationship between the Federal government and Indian tribes, or on the distribution of power and responsibilities between the Federal government and Indian tribes.

Executive Order 12988

This proposed rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 to eliminate drafting errors and ambiguity, minimize litigation, provide a clear legal standard for affected conduct, and promote simplification and burden reduction.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995, 44 U.S.C. 3507(d), requires the Department to consider the impact of paperwork and other information collection burdens imposed on the public. There are no current or new information collection requirements associated with this proposed rule.

Unfunded Mandates Reform Act of 1995

This rule will not result in the expenditure by State, local and tribal governments, in the aggregate, or by the private sector, of \$100,000,000, as adjusted for inflation, or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

List of Subjects in 28 CFR Part 16

Administrative practices and procedures, Courts, Freedom of information, Privacy Act.

Pursuant to the authority vested in the Attorney General by 5 U.S.C. 552a and delegated to me by Attorney General Order 2940-2008, the Department of Justice proposes to amend 28 CFR part 16 as follows:

PART 16-PRODUCTION OR DISCLOSURE OF MATERIAL OR INFORMATION

1. The authority citation for part 16 continues to read as follows:

Authority: 5 U.S.C. 301, 552, 552a, 553; 28 U.S.C. 509, 510, 534; 31 U.S.C. 3717.

Subpart E—Exemption of Records Systems Under the Privacy Act

2. Amend § 16.75 by revising paragraphs (c) and (d) to read as follows:

§ 16.75 Exemption of the Office of the Inspector General Systems/Limited Access.

* * * * *

(c) The Data Analytics Program Records System (JUSTICE/OIG-006) system of records is exempt from 5 U.S.C. 552a(c)(3) and (4); (d); (e)(1), (2), (3), (5) and (8); and (g) of the Privacy Act. These exemptions apply only to the extent that information in this system is subject to exemption pursuant to 5 U.S.C. 552a(j) and/or (k). Where compliance would not appear to interfere with or adversely affect the law enforcement process, and/or where it may be appropriate to permit individuals to contest the accuracy of the information collected, e.g., public source materials, the applicable exemption may be waived, either partially or totally, by OIG.

(d) Exemptions from the particular subsections are justified for the following reasons:

(1) From subsection (c)(3), the requirement that an accounting be made available to the named subject of a record, because release of disclosure accounting could alert the subject of an investigation of an actual or potential criminal, civil, or regulatory violation to the existence of an investigation and the fact that the individual is the subject of the investigation. Such a disclosure could also reveal investigative interest by not only OIG, but also by the recipient agency or component. Since release of such information to the subjects of an investigation would provide them with significant information concerning the nature of the investigation, release could result in the destruction of documentary evidence, improper influencing of witnesses, endangerment of the physical safety of confidential sources, witnesses, and law enforcement personnel, the fabrication of testimony, flight of the subject from the area, and other activities that could impede or compromise the investigation. In addition, providing the individual an accounting for each disclosure could result in the release of properly classified information which would compromise the national defense or disrupt foreign policy.

(2) From subsection (c)(4) notification requirements, for the same reasons that justify exempting this system from the access and amendment provisions of subsection (d), and similarly, from the accounting of disclosures provision of subsection (c)(3). The DOJ takes seriously its obligation to maintain accurate records despite its assertion of this exemption, and to the extent it, in its sole discretion, agrees to permit amendment or correction of DOJ records, it will share that information in appropriate cases.

(3) From subsection (d), the access and amendment provisions, because access to the records contained in this system of records could inform the subject of an investigation of an actual or potential criminal, civil, or regulatory violation, of the

existence of the investigation; of the nature and scope of the information and evidence obtained as to his activities; of the identity of confidential sources, witnesses, and law enforcement personnel, and of information that may enable the subject to avoid detection or apprehension. These factors would present a serious impediment to effective law enforcement where they prevent the successful completion of the investigation, endanger the physical safety of confidential sources, witnesses, and law enforcement personnel, and/or lead to the improper influencing of witnesses, the destruction of evidence, or the fabrication of testimony. In addition, granting access to such information could disclose security-sensitive or confidential business information or information that would constitute an unwarranted invasion of the personal privacy of third parties. Finally, access to the records could result in the release of properly classified information that would compromise the national defense or disrupt foreign policy. Amendment of the records would interfere with ongoing investigations and law enforcement activities and impose an impossible administrative burden by requiring investigations to be continuously reinvestigated.

(4) From subsection (e)(1), because the application of this provision could impair investigations and interfere with the law enforcement responsibilities of the OIG for the following reasons:

(i) It is not possible to determine the relevance or necessity of specific information in the early stages of a civil, criminal or other law enforcement investigation, case, or matter, including investigations in which use is made of properly classified information. Relevance and necessity are questions of judgment and timing, and it is only

after the information is evaluated that the relevance and necessity of such information can be established.

(ii) During the course of any investigation, the OIG may obtain information concerning actual or potential violations of laws other than those within the scope of its jurisdiction. In the interest of effective law enforcement, the OIG should retain this information in accordance with applicable record retention procedures, as it may aid in establishing patterns of criminal activity, and can provide valuable leads for Federal and other law enforcement agencies.

(iii) In interviewing individuals or obtaining other forms of evidence during an investigation, information may be supplied to an investigator which relates to matters incidental to the primary purpose of the investigation but which may also relate to matters under the investigative jurisdiction of another agency. Such information cannot readily be segregated.

(5) From subsection (e)(2), because, in some instances, the application of this provision would present a serious impediment to law enforcement for the following reasons:

(i) The subject of an investigation would be placed on notice as to the existence of an investigation and would therefore be able to avoid detection or apprehension, to improperly influence witnesses, to destroy evidence, or to fabricate testimony.

(ii) In certain circumstances the subject of an investigation cannot be required to provide information to investigators, and information relating to a subject's illegal acts, violations of rules of conduct, or any other misconduct must be obtained from other sources.

(iii) In any investigation it is necessary to obtain evidence from a variety of sources other than the subject of the investigation in order to verify the evidence necessary for successful litigation.

(6) From subsection (e)(3), because the application of this provision would provide the subject of an investigation with substantial information which could impede or compromise the investigation. Providing such notice to a subject of an investigation could interfere with an undercover investigation by revealing its existence, and could endanger the physical safety of confidential sources, witnesses, and investigators by revealing their identities.

(7) From subsection (e)(5), because the application of this provision would prevent the collection of any data not shown to be accurate, relevant, timely, and complete at the moment it is collected. In the collection of information for law enforcement purposes, it is impossible to determine in advance what information is accurate, relevant, timely, and complete. Material that may seem unrelated, irrelevant, or incomplete when collected may take on added meaning or significance as an investigation progresses. The restrictions of this provision could interfere with the preparation of a complete investigative report, and thereby impede effective law enforcement.

(8) From subsection (e)(8), because to require individual notice of disclosure of information due to compulsory legal process would pose an impossible administrative burden on OIG and may alert the subjects of law enforcement investigations, who might be otherwise unaware, to the fact of those investigations. Such notice could also could reveal investigative techniques, procedures, or evidence.

(9) From subsection (g), to the extent that this system is exempt from the access and amendment provisions of subsection (d), pursuant to subsections (j)(2), (k)(1), and (k)(2) of the Privacy Act.

Dated: March 15, 2018.

Katherine Harman-Stokes,
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Office of Privacy and Civil Liberties,
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