



8026-03

## **SMALL BUSINESS ADMINISTRATION**

### **Privacy Act of 1974; System of Records**

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice of a New System of Records.

**SUMMARY:** The U.S. Small Business Administration (SBA) proposes to add a new system of records entitled Small Business Investment Company Information System (SBA # 40) to its inventory of records systems subject to the Privacy Act of 1974, as amended. Publication of this notice complies with the Privacy Act and the Office of Management and Budget (OMB) Circular A-108 requirement for agencies to publish a notice in the Federal Register whenever the agency establishes a new system of records. The SBA is in the process of modernizing its technology supporting the Small Business Investment Company (SBIC) program to further enhance the SBA's regulatory oversight and risk management of the SBIC program using modern private equity and alternative investment analytics and tools. The technology includes a Customer Relationship Management (CRM) tool, an investment and risk management tool, an information portal, and a data warehouse with associated Application Programming Interfaces (APIs). Some records may be maintained electronically and in paper format for desktop access or if required for legal purposes.

**DATES:** This action will be effective without further notice on September 1, 2019 unless comments are received that would result in a contrary determination.

**ADDRESSES:** Submit written comments to Marja Maddrie, Business Operations Officer, Office of Investment and Innovation, U.S. Small Business Administration, 409 3rd Street SW, Suite 6300, Washington, DC, 20416.

**FOR FURTHER INFORMATION CONTACT:** Marja Maddrie, Business Operations Officer, Office of Investment and Innovation, U.S. Small Business Administration, 409 3rd Street SW, Suite 6300, Washington, DC, 20416, 202-205-6980.

**SUPPLEMENTARY INFORMATION:** The Privacy Act of 1974 (5 U.S.C. 552a), as amended, embodies fair information practice principles in a statutory framework governing the means by which Federal agencies collect, maintain, use, and disseminate individuals' personal information. The Privacy Act applies to records about individuals that are maintained in a "system of records." A system of records is a group of any records under the control of a Federal agency from which information is retrieved by the name of an individual or by a number, symbol or other identifier assigned to the individual. The Privacy Act requires each Federal agency to publish in the Federal Register a System of Records Notice (SORN) identifying and describing each system of records the agency maintains, the purposes for which the Agency uses the Personally Identifiable Information (PII) in the system, the routine uses for which the Agency discloses such information outside the Agency, and how individuals can exercise their rights related to their PII information.

**SYSTEM NAME AND NUMBER:** Small Business Investment Company Information System (SBICIS), # 40.

**SYSTEM CLASSIFICATION:** Unclassified.

**SYSTEM LOCATION:** SBA Headquarters, 409 3rd Street, SW, Washington, DC, 20416.

SYSTEM MANAGER(S): Marja Maddrie, Business Operations Officer, Office of Investment and Innovation, U.S. Small Business Administration, 409 3rd Street SW, Suite 6300, Washington, DC, 20416.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: The Small Business Investment Act of 1958, as amended, 15 U.S.C. 661, et seq.

PURPOSES OF THE SYSTEM: The SBICIS serves a centralized and automated framework for the organization, retrieval, and analysis of SBIC information which supports the SBA's oversight and risk management roles for the SBIC program.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The system covers individuals related to current and former (i) prospective SBIC license applicants, (ii) SBIC applicants, and (iii) SBICs. (Solely for the purposes of this SORN, the term "SBIC" refers to each of (i), (ii) and (iii) in the preceding sentence.) This includes managers, executives, members, and employees associated or affiliated with an SBIC, and personal and professional references for certain of the foregoing. It also includes SBIC investors, SBIC portfolio companies, certain SBIC portfolio company employees, SBIC service providers, and certain other individuals associated, affiliated or involved with an SBIC.

CATEGORIES OF RECORDS IN THE SYSTEM:

Personal and commercial information (e.g., name, address, credit history, background information, business information, financial information, investor commitments, identifying number or other personal identifiers, regulatory compliance information) on individuals and portfolio companies named in SBIC files.

RECORD SOURCE CATEGORIES: Information contained within this system is obtained from SBICs, SBIC authorized representatives, SBIC investors, SBIC portfolio companies, SBA employees, and commercial industry and government sources.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND 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 information contained in this system may be disclosed to authorized entities, as is determined to be relevant and necessary, outside SBA as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

- A. To the Department of Justice (DOJ), including offices of the U.S Attorneys, or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when it is deemed by the SBA to be relevant or necessary to the litigation or the SBA has an interest in such litigation when any of the following are a party to the litigation or have an interest in the litigation: (1) Any employee or former employee of the SBA in his or her official capacity; (2) Any employee or former employee of the SBA in his or her individual capacity when DOJ or SBA has agreed to represent the employee or a party to the litigation or have an interest in the litigation; or (3) The United States or any agency thereof.
- B. To a Congressional office from the record of an individual in response to an inquiry from that Congressional office made at the request of the individual. The member's access rights are no greater than those of the individual.

- C. To the National Archives and Records Administration (NARA) or General Services Administration (GSA) pursuant to records management inspections being conducted under the authority of 44 U.S.C. 2904 and 2906.
- D. To an agency or organization, including the SBA's Office of Inspector General, for the purpose of performing audit or oversight operations as authorized by law, but only such information as is necessary and relevant to such audit or oversight function.
- E. To appropriate agencies, entities, and persons when: (1) the SBA suspects or has confirmed that the security or confidentiality of information processed and maintained by the SBA has been compromised, (2) the SBA has determined that as a result of the suspected or confirmed compromise, there is a risk of identity theft or fraud, harm to economic or property interests, harm to an individual, or harm to the security or integrity of this system or other systems or programs (whether maintained by SBA or any other agency or entity) that rely upon the compromised information; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the SBA's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.
- F. To another Federal agency or Federal entity, when the SBA determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in: (1) responding to a suspected or confirmed breach or (2) 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.

G. To another agency or agent of a Government jurisdiction within or under the control of the U.S., lawfully engaged in national security or homeland defense when disclosure is undertaken for intelligence, counterintelligence activities (as defined by 50 U.S.C. 3003(3)), counterterrorism, homeland security, or related law enforcement purposes, as authorized by U.S. law or Executive Order.

**POLICIES AND PRACTICES FOR STORAGE OF RECORDS:** Information stored by SBICIS is stored electronically and is protected through the implementation of access controls, user permissions, event logging, and monitoring. External media are further protected using encryption.

**POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:**

SBICIS records are retrieved by SBIC or Portfolio Company Name, affiliation with a particular SBIC personal identifier, SBA identifier, employee identification number, or any other data field that would enable SBA to perform its official duties

**POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:**

Records are maintained in accordance with SBA Standard Operating Procedure (SOP) 00 41 2, schedules 65:02 through 65:06. Records maintained as part of the General Records Schedules (GRS) are disposed of in accordance with applicable SBA policies.

**ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:** Access and use are limited to persons with official need to know. Users are evaluated on a recurring basis to ensure need-to-know still exists. Safeguards are implemented in accordance with the Federal Information Security Modernization Act of 2014 (FISMA) and are evaluated on a recurring basis to ensure desired operation.

**RECORD ACCESS PROCEDURES:** Individuals wishing to request access to records about them should submit a Privacy Act request to the SBA Chief, Freedom of Information and Privacy Act Office, U.S. Small Business Administration, 409 Third St. SW, Eighth Floor, Washington, DC 20416 or FOIA@sba.gov. Individuals must provide their full name, mailing address, personal email address, telephone number, and a detailed description of the records being requested. Individuals requesting access must also follow SBA's Privacy Act regulations regarding verification of identity and access to records (13 CFR part 102 subpart B).

**CONTESTING RECORD PROCEDURES:** Individuals wishing to contest information contained in records about them should submit a Privacy Act request to the SBA Chief, Freedom of Information and Privacy Act Office, U.S. Small Business Administration, 409 Third St. SW, Eighth Floor, Washington, DC 20416 or FOIA@sba.gov. Individuals must provide their full name, mailing address, personal email address, telephone number, and a detailed description of the records being requested. Requesting individuals must follow SBA's Privacy Act regulations regarding verification of identity and access to records (13 CFR part 102 subpart B).

**NOTIFICATION PROCEDURES:** Individuals may make record inquiries in person or in writing to the Systems Manager through the SBA Chief, Freedom of Information and Privacy Act Office, U.S. Small Business Administration, 409 Third St. SW, Eighth Floor, Washington, DC 20416 or FOIA@sba.gov.

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

**HISTORY:** None.

Dated: August 26, 2019.

**Marja Maddrie,**

*Business Operations Officer,*

*Office of Investment and Innovation.*

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