

**DEPARTMENT OF EDUCATION****Privacy Act of 1974; System of Records**

**AGENCY:** Student Financial Assistance, Department of Education.

**ACTION:** Notice of a new system of records.

**SUMMARY:** In accordance with the Privacy Act of 1974, as amended, the Department of Education (ED) publishes this notice of a new system of records entitled "Student Authentication Network Audit File (18-11-10)." The system will contain information on individuals who have had, or attempted to have, their identity authenticated for the purpose of electronically completing and signing promissory notes and other documents under the Student Financial Assistance Programs authorized by Title IV of the Higher Education Act of 1965, as amended. The information maintained by the system includes the individual's name, Social Security Number, date of birth, and system-generated identifiers. The Department seeks comment on this new system of records described in this notice, in accordance with the requirements of the Privacy Act.

**DATES:** We must receive your comments on the proposed routine uses for this system of records included in this notice on or before June 29, 2001. The Department filed a report describing the new system of records covered by this notice with the Chair of the Committee on Governmental Affairs of the Senate, the Chair of the Committee on Government Reform and Oversight of the House, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on May 24, 2001. This new system of records will become effective at the later date of: (1) The expiration of the 30-day period for OMB review on June 23, 2001, unless OMB gives specific notice within the 30 days that the system is not approved for implementation or requests an additional 10 days for its review; or (2) June 29, 2001, unless the routine uses in the system of records need to be changed as a result of public comment or OMB review.

**ADDRESSES:** Address all comments about the routine uses in this system of records to Neil Sattler, Office of Chief Information Officer, Student Financial Assistance, U.S. Department of Education, 400 Maryland Avenue, SW., Portals Building, room 604, Washington, DC 20202-5132. Telephone: (202) 205-4348. If you prefer to send comments

through the Internet, use the following address: E\_ID@ed.gov.

You must include the term "Student Authentication System of Records" in the subject line of the electronic message.

During and after the comment period, you may inspect all comments about this notice in room 604, Portals Building, 1250 Maryland Avenue, SW., Washington, DC, between the hours of 8 a.m. and 4:30 p.m., Eastern time, Monday through Friday of each week except Federal holidays.

**Assistance to Individuals With Disabilities in Reviewing the Comments on the Routine Uses in the System of Records**

On request, we supply an appropriate aid, such as a reader or print magnifier, to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for this notice. If you want to schedule an appointment for this type of aid, you may call (202) 205-8113 or (202) 260-9895. If you use a TDD, you may call the Federal Information Relay Service at 1-800-877-8339.

**FOR FURTHER INFORMATION CONTACT:** Neil Sattler, Office of the Chief Information Officer, U.S. Department of Education, Student Financial Assistance, 400 Maryland Avenue, SW., Portals Building, room 604, Washington, DC 20202-5132. Telephone: (202) 205-4348. If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

**Introduction**

The Privacy Act (5 U.S.C. 552a) requires the Department to publish in the **Federal Register** this notice of a new system of records managed by the Department. The Department's regulations implementing the Act are contained in the Code of Federal Regulations (CFR) in 34 CFR part 5b.

The Privacy Act applies to information about individuals that contain individually identifiable information and that may be retrieved by a unique identifier associated with each individual, such as a name or Social Security Number. The information about each individual is called a "record" and the system, whether manual or computer-based, is called a "system of records." The

Privacy Act requires each agency to publish notices of systems of records in the **Federal Register** and to prepare reports to the Office of Management and Budget (OMB) whenever the agency publishes a new system of records.

**Electronic Access to This Document**

You may view this document, as well as all other Department of Education documents published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at the following site: <http://www.ed.gov/legislation/FedRegister>.

To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, DC area at (202) 512-1530.

**Note:** The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: <http://www.access.gpo.gov/nara/index.html>.

Dated: May 24, 2001.

**Greg Woods,**

*Chief Operating Officer, Student Financial Assistance.*

For the reasons discussed in the preamble, the Chief Operating Officer, Student Financial Assistance, U.S. Department of Education publishes notice of a new system of records to read as follows:

**18-11-10**

**SYSTEM NAME:**

Student Authentication Network Audit File.

**SECURITY CLASSIFICATION:**

None.

**SYSTEM LOCATION:**

The Student Authentication Network Audit File is located at NCS Pearson, 2510 North Dodge Street, Iowa City, Iowa 52245.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

This system contains records (i.e., an audit file) on individuals who have had, or attempted to have, their identity verified for the purpose of electronically completing and signing promissory notes and other documents in connection with applying for or obtaining aid, or carrying out other activities under the Student Financial Assistance Programs authorized by Title IV of the Higher Education Act of 1965, as amended.

**CATEGORIES OF RECORDS IN THE SYSTEM:**

This system contains records including an individual's Social Security Number; date of birth; first and last names; user code (i.e., the Department, lenders, schools, guarantee agencies and holders of Federal student loans) identifying the entity seeking to verify the individual's identity; data provided by the user that may subsequently be used for auditing or other internal purposes of the user); an action code documenting the "affirmed" or "denied" verification response the system receives from the Department's Personal Identification Number (PIN) database; a unique identifier comprising a system-generated sequence number; and, the date and time the individual's identity is authenticated against the Department's PIN database.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

The Higher Education Act of 1965, as amended, (20 U.S.C. 1092b).

**PURPOSE(S):**

The information contained in the records maintained in this system is used for the purposes of verifying the identity of the individual, enforcing the conditions and terms of the loan, permitting the servicing and collecting of the loan, investigating possible fraud and verifying compliance with program regulations, initiating legal action against an individual involved in program fraud, abuse, or noncompliance, and enforcing Title IV requirements against schools, lenders, and guaranty agencies.

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

The Department of Education (Department) may disclose information contained in a record in this system of records under the routine uses listed in this system of records without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. These disclosures may be made on a case-by-case basis or, if the Department has complied with the computer matching requirements of the Act, under a computer matching agreement.

(1) *Program Disclosures.* The Department may disclose information from this system to Federal, State, or local agencies, private parties such as relatives, present and former employers and creditors, business and personal associates, guaranty agencies, educational and financial agencies or institutions, contractors and hearing officials for the following purposes:

- (a) To verify the identity of the individual;
- (b) To enforce the conditions or terms of the loan;
- (c) To permit servicing, collecting, or accepting the loan;
- (d) To investigate possible fraud and verify compliance with program regulations;
- (e) To prepare for litigation or to litigate collection service and audit;
- (f) To initiate a limitation, suspension, and termination (LS&T) or debarment or suspension action;
- (g) To ensure Title IV requirements are met by schools, lenders, and guaranty agencies; and
- (h) To investigate complaints, update files, and correct errors.

(2) *Disclosure for Use by Other Law Enforcement Agencies.* The Department may disclose information to any Federal, State, local, or foreign agency or other public authority responsible for enforcing, investigating, or prosecuting violations of administrative, civil, or criminal law or regulation if that information is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility within the receiving entity's jurisdiction.

(3) *Enforcement Disclosure.* In the event that information in this system of records indicates, either on its face or in connection with other information, a violation or potential violation of any applicable statute, regulation, or order of a competent authority, the Department may disclose the relevant records to the appropriate agency, whether foreign, Federal, State, Tribal, or local, charged with the responsibility of investigating or prosecuting that violation or charged with enforcing or implementing the statute, Executive order, rule, regulation, or order issued pursuant thereto.

(4) *Litigation and Alternative Dispute Resolution (ADR) Disclosures.*

(a) *Introduction.* In the event that one of the parties listed below is involved in litigation or ADR, or has an interest in litigation ADR, the Department may disclose certain records to the parties described in paragraphs (b), (c), and (d) of this routine use under the conditions specified in those paragraphs:

- (i) The Department of Education, or any component of the Department; or
- (ii) Any Department employee in his or her official capacity; or
- (iii) Any Department employee in his or her individual capacity if the Department of Justice (DOJ) has agreed to provide or arrange for representation for the employee;
- (iv) Any Department employee in his or her individual capacity where the

agency has agreed to represent the employee; or

(v) The United States where the Department determines that the litigation is likely to affect the Department or any of its components.

(b) *Disclosure to the DOJ.* If the Department determines that disclosure of certain records to the DOJ is relevant and necessary to litigation or ADR, the Department may disclose those records as a routine use to the DOJ.

(c) *Administrative Disclosures.* If the Department determines that disclosure of certain records to an adjudicative body before which the Department is authorized to appear, an individual or entity designated by the Department or otherwise empowered to resolve or mediate disputes is relevant and necessary to the administrative litigation, the Department may disclose those records as a routine use to the adjudicative body, individual, or entity.

(d) *Parties, counsels, representatives and witnesses.* If the Department determines that disclosure of certain records to a party, counsel, representative or witness in an administrative proceeding is relevant and necessary to the litigation, the Department may disclose those records as a routine use to the party, counsel, representative or witness.

(5) *Employment, Benefit, and Contracting Disclosure.*

(a) *For Decisions by the Department.* The Department may disclose a record to a Federal, State, or local agency maintaining civil, criminal, or other relevant enforcement or other pertinent records, or to another public authority or professional organization, if necessary to obtain information relevant to a Department decision concerning the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

(b) *For Decisions by Other Public Agencies and Professional Organizations.* The Department may disclose a record to a Federal, State, local, or foreign agency or other public authority or professional organization, in connection with the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the reporting of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit, to the extent that the record is relevant and necessary to the receiving entity's decision on the matter.

(6) *Employee Grievance, Complaint or Conduct Disclosure.* The Department may disclose a record in this system of

records to another agency of the Federal Government if the record is relevant to one of the following proceedings regarding a present or former employee of the Department: Complaint, grievance, discipline or competence determination proceedings. The disclosure may only be made during the course of the proceeding.

(7) *Labor Organization Disclosure*. A component of the Department may disclose records to a labor organization if a contract between the component and a labor organization recognized under Title V of the United States Code, Chapter 71, provides that the Department will disclose personal records relevant to the organization's mission. The disclosures will be made only as authorized by law.

(8) *Freedom of Information Act (FOIA) Advice Disclosure*. The Department may disclose records to the Department of Justice and the Office of Management and Budget if the Department concludes that disclosure is desirable or necessary in determining whether particular records are required to be disclosed under the FOIA.

(9) *Disclosure to the Department of Justice (DOJ)*. The Department may disclose records to the DOJ to the extent necessary for obtaining DOJ advice on any matter relevant to an audit, inspection, or other inquiry related to the programs covered by this system.

(10) *Contract Disclosure*. If the Department contracts with an entity for the purposes of performing any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records to those employees. Before entering into such a contract, the Department shall require the contractor to maintain Privacy Act safeguards as required under 5 U.S.C. 552a(m) with respect to the records in the system.

(11) *Research Disclosure*. The Department may disclose records to a researcher if an appropriate official of the Department determines that the individual or organization to which the disclosure would be made is qualified to carry out specific research related to functions or purposes of this system of records. The official may disclose records from this system of records to that researcher solely for the purpose of carrying out that research related to the

functions or purposes of this system of records. The researcher shall be required to maintain Privacy Act safeguards with respect to the disclosed records.

(12) *Congressional Member Disclosure*. The Department may disclose records to a member of Congress from the record of an individual in response to an inquiry from the member made at the written request of that individual. The Member's right to the information is no greater than the right of the individual who requested it.

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

The records are maintained on magnetic tape or other electronic media.

**RETRIEVABILITY:**

Records are retrievable by Social Security Number and all or part of an individual's last name.

**SAFEGUARDS:**

Physical access to the data systems housed within the facility is controlled by a computerized badge reading system, and the entire complex is patrolled by security personnel during non-business hours. The computer systems offer a high degree of resistance to tampering and circumvention. Multiple levels of security are maintained within the computer system control program. This security system limits data access to Department and contract staff on a "need-to-know" basis, and controls individual users' ability to access and alter records within the system. All users of this system of records are given a unique user identification (ID) with personal identifiers. All interactions by individual users with the system are recorded.

**RETENTION AND DISPOSAL:**

The Department will retain and dispose of these records in accordance with National Archives and Records Administration General Records Schedule 20, Item 1.c. This schedule provides disposal authorization for electronic files and hard-copy printouts created to monitor system usage, including, but not limited to log-in files,

audit trail files, system usage files, and cost-back files used to assess charges for system use. Records will be deleted or destroyed when the Department determines they are no longer needed for administrative, legal, audit, or other program purposes.

**SYSTEM MANAGER(S) AND ADDRESS:**

General Manager, Students Channel, Student Financial Assistance, Department of Education, 7th and D Streets, SW., Washington, DC, 20202.

**NOTIFICATION PROCEDURE:**

If you wish to determine whether a record exists regarding you in the system of records, provide the system manager with your name, date of birth and Social Security Number. Requests must meet the requirements of the regulations at 34 CFR 5b.5.

**RECORD ACCESS PROCEDURES:**

If you wish to gain access to a record in this system, contact the system manager and provide information as described in the notification procedure. Requests by an individual for access to a record must meet the requirements of the regulations at 34 CFR 5b.5.

**CONTESTING RECORD PROCEDURES:**

If you wish to contest a record in the system of records, contact the system manager with the information described in the notification procedure, identify the specific items you are contesting, and provide a written justification for each item. Requests to amend a record must meet the requirements of the regulations at 34 CFR 5b.7.

**RECORD SOURCE CATEGORIES:**

Information is obtained from individuals who have had or seek to have their identity authenticated, except that user codes and user-provided data are obtained specifically from the entity (the Department, lenders, schools, guarantee agencies and holders of Federal student loans) that seeks to verify the individual's identity.

**SYSTEM EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:**

None.

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