

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

AGENCY: 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 (the Department) publishes this notice of a new system of records for the Receivables Management System, as authorized by the Federal Claims Collection Act of 1966, Debt Collection Act of 1982, and the Debt Collection Improvement Act of 1996. This system contains a data base of accounts receivable for claims for payment of debts due the Department. This system contains records of activities relative to the collection of those debts. The Department seeks comments on the proposed routine uses of this system of records.

DATES: Comments on proposed routine uses for this system of records must be received on or before July 17, 1998. The Department filed a report of the new system of records with the Chairman of the Committee on Governmental Affairs of the Senate, the Chairman of the Committee on Government Reform and Oversight Operations of the House of Representatives, and the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget (OMB) on July 10, 1998. This system of records will become effective after the 30-day period for OMB review of the system expires on August 10, 1998, 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. The Department will publish any changes to the routine uses that are a result of the comments.

ADDRESSES: Comments on the proposed routine uses should be addressed to the Privacy Act Officer, Information Management Group, Office of the Chief Financial and Chief Information Officer, U.S. Department of Education, 600 Independence Avenue SW., Room 5624, General Services Administration (GSA), Regional Office Building #3, Washington, DC 20202-4651. Comments may also be sent through the Internet to: comments@ed.gov

You must include the term "Receivables Management System" in the subject line of your electronic message.

FOR FURTHER INFORMATION CONTACT: Philip A. Maestri, Director, Financial

Improvement and Receivables Group, Office of the Chief Financial Officer, U. S. Department of Education, 600 Independence Avenue, SW., Room 3117, Washington, DC 20202-4330. Telephone number: (202) 205-3511. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

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

SUPPLEMENTARY INFORMATION:**Invitation to Comment**

Interested persons are invited to submit comments and recommendations regarding proposed routine uses of this system.

All comments submitted in response to the proposed routine uses will be available for public inspection, during and after the comment period, in Room 5624, GSA Regional Office Building #3, 7th and D Streets, SW., between the hours of 8 a.m. and 4:30 p.m., Eastern time, Monday through Friday of each week except Federal holidays.

On request the Department supplies 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 docket for this notice. An individual with a disability who wants to schedule an appointment for this type of aid may call (202) 205-8113 or (202) 260-9895. An individual who uses a TDD may call the Federal Information Relay Service at 1-800-877-8339, between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

Background

The Privacy Act of 1974 (5 U.S.C. 552a(e)(4)) requires the Department to publish in the **Federal Register** this notice of a new system of records. The Department's regulations implementing the Privacy Act of 1974 are contained in the Code of Federal Regulations (CFR) in 34 CFR part 5b.

This system of records is being developed to comply with the Federal Claims Collection Act of 1966, Debt Collection Act of 1982, and the Debt Collection Improvement Act of 1996. The information collected in the Receivables Management System is to aid in the collection of funds due to the Department. Information in the system includes the name of debtor, address,

Social Security Number, loan or case number or other debt identifier, telephone number, account history and supporting documents. The Department intends to use the information to notify a debtor of his or her liability to the Government and to take other actions to service the debt. The debt servicing staff of the Financial Improvement and Receivables Group, Office of the Chief Financial Officer, and its private contractors will have access to the information collected. Direct access is restricted to authorized agency and contractor staff in the performance of their official duties. The information will be kept in metal file drawers and computers in a secured building. All physical access to the sites of the contractor and the Department of Education where this system of records is maintained, is controlled and monitored by security personnel who check each individual entering the building for an employee's or a visitor's badge.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention. This security system limits data access to the 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 are given a unique user ID with a personal identifier. All interactions by individual users with the system are recorded.

Electronic Access to this Document

Anyone may view this document, as well as all other Department documents published in the **Federal Register**, in text or portable document format (pdf) on the World Wide Web at either of the following sites:

<http://ocfo.ed.gov/fedreg.htm>

<http://www.ed.gov/news.html>

To use the pdf you must have the Adobe Acrobat Reader Program with Search, which is available free at either of the previous sites. If you have questions about using the pdf, call the U.S. Government Printing Office toll free at 1-888-293-6498.

Anyone may also view these documents in text copy only on an electronic bulletin board of the Department. Telephone (202) 291-1411 or, toll free, 1-800-222-4922. The documents are located under Option G—Files/Announcements, Bulletins and Press Releases.

Note: The official version of this document is the document published in the **Federal Register**.

Dated: July 10, 1998.

Donald Rappaport,
Chief Financial Officer.

(Catalog of Federal Domestic Assistance
Number does not apply.)

The Chief Financial Officer publishes
notice of a new system of records to
read as follows.

18-11-0028

SYSTEM NAME:

Receivables Management System.

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATIONS:

U.S. Department of Education, Office
of the Chief Financial Officer, Financial
Improvement and Receivables Group,
600 Independence Avenue, SW.,
Washington, DC 20202-4330.

U.S. Department of Education, Office
of the Chief Information Officer, 7th and
D Streets, SW., Washington, DC 20202.

Nationwide Credit, Inc., Credit Claims
and Collection, 2253 Northwest
Parkway, Marietta, Georgia 30067.

Payco American Corporation, 180 N.
Executive Drive, Brookfield, Wisconsin
53005-6011.

CSC Credit Services, Inc., 7909
Parkwood Circle, Suite 200, Houston,
Texas 77036-6565.

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

Individuals covered by the system
include: Persons billed by the
Department of Education (the
Department) for materials and services
such as Freedom of Information Act
requests and computer tapes of
statistical data, persons ordered by a
court of law to pay restitutions to the
Department, individuals who received
grants under the Bilingual Education
Fellowship Program and who have not
provided evidence to the Department of
fulfilling their work requirements as
described in the Bilingual Education
Fellowship Program Contract,
individuals who have received funds
through the Rehabilitation Services
Administration (RSA) Scholarship
program and who have not provided
evidence of fulfilling their obligations
under that program, current and former
Department employees who received
overpayments on travel allowances or
who received salary overpayments and
the overpayments have not been waived
by the Department, individuals who
were overpaid or inappropriately paid
under grant programs administered by
the Department other than Title IV of
the Higher Education Act of 1965, as
amended (HEA) and claims against

individuals, including orders by a court
or other authority to make restitution for
the misuse of Federal funds in
connection with any program
administered by the Department.

CATEGORIES OF RECORDS IN THE SYSTEM:

Documents maintained in the system
include: activity logs, copies of checks,
contracts, court orders, letters of notice,
promissory notes, telephone logs, and
related correspondence.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Federal Claims Collection Act of
1966; Debt Collection Act of 1982; and
the Debt Collection Improvement Act of
1996.

PURPOSE(S):

The Receivables Management System
is a database system that is kept for
servicing general consumer debts owed
to the Department and issuing reports of
operations and the status of accounts to
the U.S. Department of Treasury
(Treasury) and the Office of
Management and Budget. The
receivables are generated from bills to
individuals for materials and services
from the Department, claims arising
from court-ordered restitutions for any
program administered by ED, loans and
overpayments to individuals under
programs other than the student
financial assistance programs
authorized under Title IV of the Higher
Education Act of 1965, as amended.

Records will be used by debt servicing
staff to bill debtors to the Department
and collect the debts.

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

Disclosures under the following
routine uses may be made on a case-by-
case basis or, in appropriate
circumstances under computer
matching agreements authorized under
the Privacy Act of 1974 (5 U.S.C. 552a).
Records may be disclosed for the
following debt servicing program
purposes:

(a) *Program purposes:* (1) To verify
the identity and location of the debtor,
disclosures may be made to credit
agencies and Federal agencies. (2) To
enforce the terms of a loan or where
disclosure is required by Federal law,
disclosure may be made to credit
agencies, educational and financial
institutions, and Federal, State, or local
agencies.

(b) *Debt servicing.* Records under
routine use may be disclosed to the
United States Department of the
Treasury and privately contracted
collection companies for debt servicing.

(c) *Litigation disclosure.* (1) In the
event that one of the parties listed below
is involved in litigation, or has an
interest in litigation, the Department
may disclose certain records to the
parties described in paragraphs (2), (3)
and (4) of this routine use under the
conditions specified in those
paragraphs:

(i) The Department, or any component
of the Department;

(ii) Any Department employee in his
or her official capacity;

(iii) Any employee of the Department
in his or her individual capacity where
the Department of Justice (DOJ) has
agreed to provide or arrange for
representation for the employee;

(iv) Any employee of the Department
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.

(2) *Disclosure to the DOJ.* If the
Department determines that disclosure
of certain records to the DOJ is relevant
and necessary to litigation and is
compatible with the purpose for which
the records were collected. The
Department may disclose those records
as a routine use to the DOJ.

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

(4) *Opposing counsel, representatives
and witnesses.* If the Department
determines that disclosure of certain
records to an opposing counsel,
representative or witness in an
administrative proceeding is relevant
and necessary to the litigation and is
compatible with the purpose for which
the records were collected, the
Department may disclose those records
as a routine use to the counsel,
representative or witness.

(d) *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 relevant
records in the system of records may be
referred, as a routine use, to the

appropriate agency, whether foreign, Federal, State, Tribal, or local, charged with the responsibility of investigating or prosecuting this violation or charged with enforcing or implementing the statute, or executive order or rule, regulation, or order issued pursuant thereto.

(e) *Contract disclosure.* If the Department contracts with an entity for the purpose of performing any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records as a routine use to those employees. Before entering into 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.

(f) *Disclosure to the Office of Management and Budget (OMB) for Credit Reform Act (CRA) Support.* The Department may disclose individually identifiable information to OMB as necessary to fulfill CRA requirements.

(g) *Employee grievance, complaint or conduct disclosure.* Records may be disclosed if a record maintained in this system of records is relevant to present or former employee grievance, complaint, discipline or competence determination proceedings of another agency of the Federal Government. In this case, the Department may disclose the record as a routine use in the course of the proceedings if the disclosure is compatible with the purposes for this system of records.

(h) *Labor organization disclosure.* Records under this routine use may be disclosed whenever a contract between a component of the Department 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.

(i) *Research disclosure.* Records under this routine use may be disclosed whenever an appropriate official of the Department determines that an individual or organization 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 is required to maintain Privacy Act safeguards with respect to these records.

(j) *Freedom of Information Act (FOIA) Advice Disclosure.* Records under this routine use may be disclosed to the DOJ and the OMB in the event that the Department deems it desirable or necessary in determining whether particular records are required to be disclosed under the FOIA.

(k) *Disclosure to the Department of Justice.* Records may be disclosed under this routine use to the DOJ from this system of records as a routine use 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.

(l) *Congressional member disclosure.* The Department may disclose information from this system of records to a member 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:

Records under this system will be kept on paper files in metal file cabinets and in data files in computers. They are stored in desk top and mainframe computers with records backed up on magnetic media.

RETRIEVABILITY:

The data will be retrieved by name, loan or cage number, or Social Security Number.

SAFEGUARDS:

All physical access to the sites of the Department of Education and the contractors where this system of records is maintained, are controlled and monitored by security personnel who check each individual entering the building for an employee's or visitor's badge.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention. This security system limits data access to Department of Education 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 are given a unique user ID. All interactions by individual users with the system are recorded.

At contractor sites, access to all automated data processing facilities are restricted by photo identification, sign-in and out logs, CYPHER locks, or ID card readers. Smoke and fire detection devices are installed and maintained operational on all facilities including tape and disk library areas.

Physical security of the building involves restricted access as well as 24-hour security guard at the ground-floor entrance to the building. Access to building is obtained through the use of key entry doors. The system permits entry to an individual only with an access code.

RETENTION AND DISPOSAL:

Records are disposed of in accordance with the National Archives and Records Administration's General Records Schedule (GRS) 6, items 1a, 10b, and 10c; and GRS 7.

SYSTEM MANAGER(S) AND ADDRESS:

Director, Financial Improvement and Receivables Group, Office of the Chief Financial Officer, U.S. Department of Education, 600 Independence Avenue, SW., Room 3117, Washington, DC 20202-4330. Telephone number: (202) 205-3511.

NOTIFICATION PROCEDURE:

If an individual wishes to determine whether a record exists regarding him or her in this system of records, the individual should provide the system manager his or her name, Social Security Number, case or loan number, or other debt identifying number. Requests for notification about an individual must meet the requirements in the Department's Privacy Act regulations at 34 CFR 5b.5.

RECORD ACCESS PROCEDURES:

If an individual wishes to gain access to a record in this system, he or she should contact the system manager and provide information described in the notification procedure. Requests by an individual for access to a record must meet the requirements in the Department's Privacy Act regulations at 34 CFR 5b.5.

CONTESTING RECORD PROCEDURES:

If an individual wishes to change the content of a record in the system of records, he or she should contact the system manager with the information described in the notification procedure, identify the specific item(s) to be changed, and provide a written justification for the change. Requests to amend a record must meet the requirements of the Department's Privacy Act regulations at 34 CFR 5b.7.

RECORD SOURCE CATEGORIES:

Information is obtained from Department program offices, debtors, court orders, and probation officers.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

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