

§ 701.116

32 CFR Ch. VI (7–1–10 Edition)

informed to visit the Federal Trade Commission's (FTC's) Web site at <http://www.consumer.gov/idtheft> for guidance on protective actions the individual can take. A synopsis of the disclosure made, number of individuals affected, actions to be taken, should be e-mailed to CNO (DNS-36) with "Identity Theft Notification" in the subject line.

(3) If the DON activity is unable to comply with the notification requirements set forth in paragraph (e)(2) of this section, the activity shall immediately inform CNO (DNS-36) as to the reasons why. CNO (DNS-36) will, in turn, notify the Secretary of Defense.

(4) DON activities shall identify ways to preclude future incidents.

§ 701.116 PA systems of records notices overview.

(a) *Scope.* A "system of records notice" consists of "records" that are routinely retrieved by the name, or some other personal identifier, of an individual and under the control of the DON.

(b) *Retrieval practices.* How a record is retrieved determines whether or not it qualifies to be a system of records. For example, records must be retrieved by a personal identifier (name, SSN, date of birth, etc.) to qualify as a system of records. Accordingly, a record that contains information about an individual but IS NOT RETRIEVED by a personal identifier does not qualify as a system of records under the provisions of the PA. (NOTE: The "ability to retrieve" is not sufficient to warrant the establishment of a PA system of records. The requirement is retrieval by a name or personal identifier.) Should a business practice change, DON activities shall immediately contact CNO (DNS-36) to discuss the pending change, so that the systems notice can be changed or deleted as appropriate.

(c) *Recordkeeping standards.* A record maintained in a system of records subject to this instruction must meet the following criteria:

(1) *Be accurate.* All information in the record must be factually correct.

(2) *Be relevant.* All information contained in the record must be related to the individual who is the record subject and must be related to a lawful purpose

or mission of the DON activity maintaining the record.

(3) *Be timely.* All information in the record must be reviewed periodically to ensure that it has not changed due to time or later events.

(4) *Be complete.* It must be able to stand alone in accomplishing the purpose for which it is maintained.

(5) *Be necessary.* All information in the record must be needed to accomplish a mission or purpose established by Federal Law or E.O. of the President.

(d) *Approval.* CNO (DNS-36) is the approval authority for Navy PA systems of records actions. CMC (ARSF) is the approval authority for Marine Corps PA systems of records actions. Activities wishing to create, alter, amend, or delete systems should contact CNO (DNS-36) or CMC (ARSF), respectively. Those officials will assist in electronically preparing and coordinating the documents for DOD/Congressional approval, as electronic processing is both time and cost efficient.

(e) *Publication in the FEDERAL REGISTER.* Per DOD 5400.11-R, the DPO has responsibility for submitting all rule-making and changes to PA system of records notices for publication in the FEDERAL REGISTER and CFR.

§ 701.117 Changes to PA systems of records.

CNO (DNS-36) is the approval authority for Navy/DON PA systems of records actions. CMC (ARSF) is the approval authority for Marine Corps PA systems of records actions. DON activities wishing to create, alter, amend, or delete systems should contact CNO (DNS-36) or CMC (ARSF), who will assist in electronically preparing the documents for coordination and DOD/Congressional approval.

(a) *Creating a new system of records.* (1) A new system of records is one for which no existing system notice has been published in the FEDERAL REGISTER. DON activities wishing to establish a new PA system of records notice shall contact CNO (DNS-36) (regarding Navy system of records) or CMC (ARSF) (regarding Marine Corps system of records.) These officials will assist in the preparation and approval of the notice. Once approval is obtained

from DOD, the systems notice will be published in the FEDERAL REGISTER for comment by the public. In the case of an exempt system of records, it will also be published at 32 CFR part 701. A listing of all DON PA systems of records notices is available at <http://www.privacy.navy.mil>.

(2) A DON activity may not begin collecting or maintaining PPI about individuals that is retrieved by their name and/or personal identifier until a PA system of records notice has been approved and published in the FEDERAL REGISTER. Failure to comply with this mandate could result in both criminal and civil penalties.

(3) In those cases where a system of records has been cancelled or deleted and it is later determined that it should be reinstated or reused, a new system notice must be prepared.

(4) DON activities wishing to create a new PA system of records must conduct a risk analysis of the proposed system to consider the sensitivity and use of the records; present and projected threats and vulnerabilities; and projected cost effectiveness of safeguards. (See § 701.118 regarding PIAs.)

(b) *Altering a system of records notice.* A systems manager shall contact CNO (DNS-36)/CMC (ARSF) to alter a PA system of records notice when there has been:

(1) A significant increase or change in the number or types of individuals about who records are maintained. For example, a decision to expand a system of records that originally covered personnel assigned to only one activity to cover personnel at several installations would constitute an altered system. An increase or decrease in the number of individuals covered due to normal growth or decrease is not an alteration.

(2) A change that expands the types or categories of information maintained.

(3) A change that alters the purpose for which the information is used. In order to be an alteration, the change must be one that is not reasonably inferred from any of the existing purposes.

(4) A change that adds a new routine use.

(5) A change to equipment configuration (either hardware or software) that

creates substantially greater use of records in the system. For example, placing interactive computer terminals at regional offices when the system was formerly used only at the headquarters would be an alteration.

(6) A change in the manner in which records are organized or in the method by which records are retrieved.

(7) A combining of record systems due to reorganization.

(c) *Amending a system of records notice.* DON activities should apprise CNO (DNS-36) or CMC (ARSF) respectively when a minor change has been made to a system of records.

(d) *Deleting a system of records notice.* When a system of records is discontinued, incorporated into another system, or determined to be no longer subject to this instruction, a deletion notice must be published in the FEDERAL REGISTER. The deletion notice shall include the system identification number, system name, and the reason for deleting it. If a system is deleted through incorporation into or merger with another system, identify the successor system in the deletion notice. Systems managers who determine that a systems notice is no longer needed should contact CNO (DNS-36)/CMC (ARSF) who will prepare the deletion notice and submit it electronically to DOD for publication in the FEDERAL REGISTER.

(e) *Numbering a system of records notice.* Systems of records notices are identified with an "N" for a Navy system; "M" for a Marine Corps system; or an "NM" to identify a DON-wide system, followed by the subject matter Standard Subject Identification Code (SSIC).

(f) *Detailed information.* Detailed information on how to write, amend, alter, or delete a PA system of records notice is contained at <http://www.privacy.navy.mil>.

§ 701.118 Privacy, IT, and PIAs.

(a) *Development.* Privacy must be considered when requirements are being analyzed and decisions are being made about data usage and storage design. This applies to all of the development methodologies and system life cycles used in the DON.