This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Office of the Secretary

Privacy Act of 1974; Revision of Systems of Records

AGENCY: Office of the Secretary, USDA.

ACTION: Notice to amend Privacy Act Systems of Records.

SUMMARY: Pursuant to the Privacy Act (5 U.S.C. 552a), notice is hereby given that the United States Department of Agriculture (USDA) proposes to amend the Privacy Act System of Records FCIC–8, entitled ‘‘List of Ineligible Producers’’. The system of records is maintained by the Risk Management Agency (RMA), an agency of USDA, which administers programs of the Federal Crop Insurance Corporation (FCIC), a wholly-owned Government corporation. The list of ineligible producers system of records is being revised to reflect changes in the administration and management of the Federally reinsured plan of insurance contractors and to reflect more completely the types of information collected and maintained in this system of records. The primary purpose of the system of records is to aid private insurance companies in identifying ineligible persons and to reduce fraud and misuse of Federal funds. Private insurance companies operate under a reinsurance agreement with FCIC to deliver programs in accordance with policy and procedure issued by RMA. The reinsurance agreement is authorized by the Federal Crop Insurance Act and regulations of FCIC published at 7 CFR chapter IV. Additionally, 7 CFR part 400, subpart Q, provides general administrative regulations for Social Security Number (SSN) and Employer Identification Number (EIN) collection, storage, use and confidentiality to all holders of crop insurance policies sold by insurance providers, their contractors and subcontractors, including past and present officers and employees of such companies, their contractors and subcontractors.

DATES: Effective Date: This notice will be effective without further publication on February 5, 2007, unless modified by a subsequent notice to incorporate comments received from the public. Although the Privacy Act requires only that the portion of the system that describes the ‘‘routine uses’’ of the system be published for comment, USDA invites comment on all portions of this notice. Comments must be received by the contact person listed below on or before February 5, 2007.

FOR FURTHER INFORMATION CONTACT:

SUPPLEMENTARY INFORMATION: RMA is responsible for implementation and maintenance of a list of ineligible persons. This list is maintained in the RMA Ineligible Tracking System (ITS). The ITS contains records of individuals and legal entities who are ineligible to participate in programs administered by RMA under the Federal Crop Insurance Act (Act) due to delinquent debt, disqualification under section 506(n) of the Act, violation of the controlled substance provisions of the Food Security Act of 1985, as amended, and persons having a substantial beneficial interest in an ineligible legal entity. Private insurance companies, reinsured by FCIC in accordance with the reinsurance agreement with FCIC and regulations of FCIC published at 7 CFR chapter IV, part 400, subpart U, submit delinquent debt records to RMA for inclusion into the ITS. RMA inputs records into the ITS related to disqualification, suspension, debarment, controlled substance violations and debt due FCIC. RMA is responsible for consolidating and updating the ITS and providing notification to private insurance companies and other Federal agencies to prevent ineligible persons from receiving Federal benefits.

Major revisions and the reasons for change to this system of records are as follows. The system location is revised to show the current location of records at the Kansas City Office. The categories of individuals covered by the system are revised to reflect person included in the system. The categories of records in the system are revised to reflect current information stored within the system. The routine uses of records maintained in the system are revised to (a) delete routine use number (2) because it is not applicable to the system of records; (b) renumber routine use number (3) to (2) and to permit disclosure to any judicial or administrative tribunal if the record sought is relevant; (c) renumber routine use number (4) to (3); (d) delete routine use number (5) because it is no longer applicable; (e) renumber routine use number (6) to (4) and revise to reflect that information will be provided to private insurance companies reinsured by FCIC to preclude producers from switching private insurance companies in order to circumvent ineligibility; (f) add routine use (5) to permit disclosure of information to Federal agencies to prevent ineligible producers from erroneously receiving government loans and other benefits; (g) add routine use (6) to permit disclosure to contractors and Federal agencies to deter fraud, waste and abuse by conducting analysis to identify ineligible producers potentially circumventing the ineligible process; (h) add routine use (7) to permit information to be disclosed for use in the administration and evaluation of this system of records as it relates to Federally reinsured plans of insurance administered by RMA under the authority of the Act, (i) add routine use (8) to permit information to be provided to the Department of the Treasury for collection of outstanding debt, and (j) add routine use (9) to permit information to be provided to the Department of Justice to represent the United States Government in litigation when the use of the information is compatible with the purposes of the Act. The provisions related to storage, retrievability and safeguards are updated to reflect current practices. The system manager and address have been updated to show the current location of records. The notification procedure, records access procedures, contesting record procedures, and record source categories have also been updated to document current procedures.

In conformance with 5 U.S.C. 552a(r), as implemented by OMB Circular A–130, USDA sent a report describing the proposed changes to the Chairman, Committee on Homeland Security and Government Affairs, United States
Senate; the Chairman, Committee on Government Reform, United States House of Representatives; and the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget on December 27, 2006.

Signed at Washington, DC on December 27, 2006.

Mike Johanns,
Secretary of Agriculture.

SYSTEM NAME:
List of Ineligible Persons.

SECURITY CLASSIFICATION:
None.

SYSTEM LOCATION:

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:
The system consists of information about an entity who has been determined to be ineligible to participate in any program administered by the Risk Management Agency (RMA), an agency of the United States Department of Agriculture (USDA) which administers programs of the Federal Crop Insurance Corporation (FCIC) authorized under the Federal Crop Insurance Act (Act), due to non-payment of premium or other indebtedness arising under the terms of a Federally reinsured plan of insurance contract; disqualification, suspension, or debarment in any administrative proceeding; violation of the controlled substance provisions of the Food Security Act of 1985, as amended; or persons having a substantial beneficial interest in an ineligible entity.

CATEGORIES OF RECORDS IN THE SYSTEM:
The system consists of standardized records containing identifying information on entities such as the name, address, tax identification number (social security number or employer identification number) and entity type; the name, address, and tax identification number of individuals having a substantial beneficial interest in an ineligible individual or legal entity; and information related to ineligibility such as date and cause of ineligibility, date of notification letter and current status.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:
7 U.S.C. 1501 et seq.

PURPOSE(S):
To aid private insurance companies in identifying ineligible persons and to reduce fraud and misuse of Federal funds.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:
Records contained in this system may be routinely disclosed as follows:
(1) Disclosure to the appropriate agency, whether Federal, State, local or foreign, charged with the responsibility of investigating or prosecuting a violation of law, or of enforcing or implementing a statute, rule, regulation or order issued pursuant thereto, of any record within this system when information available indicates a violation or potential violation of law, whether civil, criminal, or regulatory in nature, and whether arising by general statute or particular program statute or by rule, regulation or order issued pursuant thereto.
(2) Disclosure to a court, magistrate or administrative tribunal, or to opposing counsel in a proceeding before a court, magistrate, or administrative tribunal, of any record within the system that constitutes evidence in that proceeding, or which is sought in the course of discovery, to the extent that FCIC determines that the records sought are relevant to the proceeding.
(3) Disclosure may be made to a congressional office from the record of an individual or legal entity in response to an inquiry from the congressional office made at the request of that individual or legal entity.
(4) Disclosure to private insurance companies under a reinsurance agreement with FCIC to deliver programs in accordance with policy and procedure issued by RMA to assist in determining eligibility for participation in the Federal insurance program under the authority of the Federal Crop Insurance Act and regulations of FCIC, published at 7 CFR part 400, subpart U. Private insurance companies must adhere to 7 CFR part 400, subpart Q general administrative regulations for SSN and EIN collection, storage, use and confidentiality to all holders of crop insurance policies sold by insurance providers, their contractors and subcontractors, including past and present officers and employees of such companies, their contractors and subcontractors.
(5) Disclosure of information to other Federal agencies, in accordance with 31 U.S.C. 3720B, for the purpose of identifying persons in delinquent status for programs administered under authority of the Act and barring these delinquent Federal debtors from obtaining applicable Federal loans or loan insurance guarantees.
(6) Disclosure to contractors of FCIC or other Federal agencies to conduct research and analysis to identify patterns, trends, anomalies, instances and relationships of private insurance companies, agents, loss adjusters and policyholders that may be indicative of fraud, waste, and abuse.
(7) Disclosure to private insurance companies, contractors, cooperators, and other Federal agencies for any purpose relating to the sale, service, administration, analysis and evaluation of the Federally reinsured plans of insurance administered by RMA under the authority of the Act. 7 CFR part 400, subpart Q provides general administrative regulations for SSN and EIN collection, storage, use and confidentiality.
(8) Disclosure of ineligible individual or legal entity information to the Department of the Treasury (Treasury) for collection of outstanding debt per the Debt Collection Act of 1982, Debt Collection Improvement Act of 1996, and Federal Claims Collection Standards.
(9) Disclosure to the Department of Justice when: (a) USDA or any component thereof; or (b) any employee of USDA in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to the litigation or has an interest in such litigation, and by careful review, RMA determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by RMA to be for a purpose that is compatible with the purpose of the Act.

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

STORAGE:
Records are maintained electronically, on computer printouts and in the file folders at the Kansas City Office.

RETRIEVABILITY:
Records may be indexed and retrieved by name of individual, tax identification number (including social security number and employer identification number), and policy number.

SAFEGUARDS:
Records are accessible only to authorized personnel and are maintained in offices that are locked during non-duty hours. File folders and other hard copy records are
stored in locked file cabinets. The electronic records are controlled by password protection and the computer network is protected by means of a firewall.

RECORD SOURCE CATEGORIES:
Information in this system comes primarily from private insurance companies due to their financial arrangement with FCIC or other Federal agencies. Private insurance companies operate under a reinsurance agreement with FCIC to deliver programs in accordance with policy and procedure issued by RMA. The reinsurance agreement is authorized by the Federal Crop Insurance Act and regulations of FCIC published at 7 CFR part 400, subpart L. Additionally, 7 CFR part 400, subpart Q provides general administrative regulations for SSN and EIN collection, storage, use and confidentiality to all holders of crop insurance policies sold by insurance providers, their contractors and subcontractors, including past and present officers and employees of such companies, their contractors and subcontractors.

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