

locating individuals and identifying their income sources to establish paternity, to establish and modify orders of support, and for enforcement action.

11. To the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services, for release to the Social Security Administration for verifying social security numbers in connection with the operation of the FPLS by the Office of Child Support Enforcement.

12. To the Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services, for release to the Department of Treasury for purposes of administering the Earned Income Tax Credit Program (Section 32, Internal Revenue Code of 1986) and verifying a claim with respect to employment in a tax return.

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

**STORAGE:**

Appropriate data is stored on electronic and paper records.

**RETRIEVABILITY:**

These records are indexed for individuals in alphabetical sequence by name or in numerical order by their social security numbers.

**SAFEGUARDS:**

Only authorized SEC personnel and certain governmental agencies, approved by law, are granted access to any of these records.

**RETENTION AND DISPOSAL:**

These records are maintained and disposed of pursuant to the regulations imposed by General Services Administration, *General Records Schedule 2* and 20.

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

Associate Executive Director (Finance), Office of the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, VA 22312-2413.

**NOTIFICATION PROCEDURE:**

All requests to determine whether this system of records contains a record pertaining to the requesting individual may be directed to the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-5, Alexandria, VA 22312-2413.

**RECORD ACCESS PROCEDURES:**

Persons wishing to obtain information on the procedures for gaining access to

or contesting the contents of these records may contact or address their inquiries to the Privacy Act Officer, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-5, Alexandria, VA 22312-2413.

**CONTESTING RECORD PROCEDURES:**

See Record access procedures above.

**RECORD SOURCE CATEGORIES:**

The sources for the records are personnel action forms, electronic time and attendance records, withholding certificates, and other related documents submitted by employees or the Office of Personnel and Administrative Management.

SEC-43 is amended as follows:

Paragraphs 10 through 18 are added to this section to read as follows:

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

\* \* \* \* \*

10. To inform complainants, victims, and witnesses of the results of an investigation.

11. To qualified individuals or organizations in connection with the performance of a peer review or other study of the Office of Inspector General's audit or investigative functions.

12. To private firms of individuals with which the Office of Inspector General has contracted to provide support for investigations or other inquiries. These private firms and individuals will be required to maintain Privacy Act safeguards with respect to such records.

13. To a Federal agency responsible for considering debarment or suspension action if the record would be relevant to such action.

14. To the Department of Justice for the purpose of obtaining its advice on Freedom of Information Act matters.

15. To the Office of Management and Budget for the purpose of obtaining its advice on Privacy Act matters.

16. To a public or professional licensing organization if the record indicates, either by itself or in combination with other information, a violation or potential violation of professional standards, or reflects on the moral, educational, or professional qualifications of an individual who is licensed or who is seeking to become licensed.

17. To the Office of Government Ethics (OGE) to comply with agency reporting requirements established by OGE in 5 CFR part 2638, subpart F.

18. To the news media and the public when there exists a legitimate public

interest (e.g., to provide information on events in the criminal process, such as an indictment).

By the Commission.

Dated: March 5, 1998.

**Jonathan G. Katz,**

Secretary.

[FR Doc. 98-6171 Filed 3-10-98; 8:45 am]

BILLING CODE 8410-01-P

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. PA-23]

**Privacy Act of 1974: Modification of a Privacy Act System of Records**

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice of minor modifications.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, the Securities and Exchange Commission is amending the Administrative Audit System (SEC-14) to reflect updates to the authority for maintenance, storage, retrievability, and record source categories, and clarification of the retention and disposal. In addition, the agency is modifying the retention and disposal of records maintained in the Agency Correspondence Tracking System (ACTS) (SEC-29).

**EFFECTIVE DATE:** March 11, 1998.

**FOR FURTHER INFORMATION CONTACT:** Hannah R. Hall, Privacy Act Officer, (202) 942-4320, Office of Filings and Information Services, Freedom of Information Act and Privacy Act Operations, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-5, Alexandria, VA 22312-2413.

**SUPPLEMENTARY INFORMATION:** In the course of reviewing its Privacy Act systems of records notices, the Commission identified needed changes to the Administrative Audit System (SEC-14) and the Agency Correspondence Tracking System (ACTS) (SEC-29). Amendments to these systems were last published at 62 FR 47885 and 47887, September 11, 1997. For the purpose of complying with the Privacy Act and OMB Circular A-130, these modifications are minor changes and do not require an advance report to, and review by, the Congress and the Office of Management and Budget.

SEC-14 is amended as follows:

**SEC-14**

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

This section is revised to read as follows: 31 U.S.C. 35.

**STORAGE:**

This section is revised to read as follows: Appropriate accounting data is stored in electronic media and paper form (e.g., purchase orders, memoranda, subsidiary ledgers, invoices, and other miscellaneous records).

**RETRIEVABILITY:**

This section is revised to read as follows: These records are retrieved by the individual's name or social security number.

**RETENTION AND DISPOSAL:**

This section is revised to read as follows: The records are maintained and disposed of in accordance with the General Services Administration, *General Records Schedule 6, 7, 9, and 20*.

**RECORD SOURCE CATEGORIES:**

This section is revised to read as follows: The sources for the records are purchase orders, vouchers, invoices, contracts, and electronic records (e.g., Travel Manager, Frequent Travel Solutions, Inc.) or other paper records submitted by employees, vendors, and other sources, including claims filed by witnesses in SEC actions.

SEC-29 is amended as follows:

**SEC-29****RETENTION AND DISPOSAL:**

*Subsystem A:* This section is revised to read: Paper records are retained in-house for two (2) years from the office's date of receipt of the complaint/inquiry then transferred to the Federal Records Center for storage. Records sent to the Federal Records Center that *do not* relate to law enforcement matters are maintained for two (2) additional years (for a total of four (4) years from the office's date of receipt). Paper records that *do* relate to an enforcement matter are maintained for an additional four (4) years at the Federal Records Center for a total of six (6) years from the office's date of receipt.

*Subsystem B:* This section is revised to read: Paper records are maintained in-house upon expiration of the Chairman's tenure in office. In accordance with 17 CFR 200.80f, certain files are forwarded to the Federal Records Center or transferred to the National Archives and Records Administration.

*Subsystem C:* This section is revised to read: Paper records are maintained in-house for six months from the office's date of receipt and destroyed periodically thereafter.

*Subsystem D:* This section is revised to read: A computerized record of searches and transactions is maintained

in an on-line database and on data cartridges. Electronic records are maintained indefinitely. Database files are saved on the cartridges, which are sent to the Commission's off-site storage vendor.

Dated: March 5, 1998.

By the Commission.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 98-6175 Filed 3-10-98; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-39712; File Nos. SR-CBOE-97-68; SR-MSRB-98-02; SR-NASD-98-03; and SR-NYSE-97-33]

**Self-Regulatory Organizations; Order Approving Proposed Rule Changes by the Chicago Board Options Exchange, Municipal Securities Rulemaking Board, National Association of Securities Dealers, Inc., and New York Stock Exchange, Inc. Relating to Continuing Education Requirements**

March 3, 1998.

**I. Introduction**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> on December 30, 1997, January 21, 1998, January 22, 1998, and December 8, 1997, the Chicago Board Options Exchange ("CBOE"), Municipal Securities Rulemaking Board ("MSRB"), National Association of Securities Dealers, Inc. ("NASD"), and New York Stock Exchange, Inc. ("NYSE"), respectively, submitted to the Securities and Exchange Commission ("Commission") proposed rule changes modifying the continuing education requirements of registered persons.<sup>3</sup> The proposed rule changes were published for comment in the **Federal Register** on January 29, 1998.<sup>4</sup> The Commission received five

<sup>1</sup> 15 U.S.C. § 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> The NYSE, CBOE, and MSRB submitted technical amendments to the proposed rule language. See letter from James E. Buck, Senior Vice President, NYSE, to Gail Marshall, Special Counsel, Division of Market Regulation, SEC, dated February 10, 1998; letter from Lawrence J. Bresnahan, Assistant Vice President, Department of Financial and Sales Practice Compliance, CBOE, to Gail Marshall, SEC, dated January 23, 1998; and letter from Ronald W. Smith, Senior Legal Associate, MSRB, to Katherine A. England, Assistant Director, SEC, dated January 21, 1998. The CBOE and MSRB proposed rule language, as amended, is virtually identical to that of the NYSE, which was published in Securities Exchange Act Release No. 39577 (January 23, 1998), 63 FR 4513 (January 29, 1998).

<sup>4</sup> See Securities Exchange Act Release Nos. 39574 (January 23, 1998), 63 FR 4510 (January 29, 1998)

comment letters regarding expanding the continuing education program. For the reasons discussed below, the Commission is approving the proposed rule changes.

**II. Background**

The Securities Industry/Regulatory Council on Continuing Education ("CE Council") was created in November 1993 and is comprised of six self-regulatory organizations ("SROs") and thirteen broker-dealers to represent the interests and needs of a wide cross-section of the industry. The SROs include the American Stock Exchange;<sup>5</sup> CBOE; MSRB; NASD; NYSE; and the Philadelphia Stock Exchange.<sup>6</sup> The CE Council facilitates the industry/regulatory coordination of the administration and future development of the Continuing Education ("CE") Program. The Council, on October 17, 1997, announced that it was recommending changes to the CE Program to strengthen the requirements for registered persons<sup>7</sup> and implement a new program specifically for industry managers and supervisors.

The CE Program, which is uniform within the industry, consists of two parts, a Regulatory Element and a Firm Element.

**A. The Regulatory Element**

The Regulatory Element requires registered persons to participate in interactive computer-based training at specified intervals and encompasses regulatory and compliance issues, sales practice concerns, and business ethics. The Regulatory Element program

(SR-NASD-98-03); 39575 (January 23, 1998), 63 FR 4507 (January 29, 1998) (SR-CBOE-97-68); 39576 (January 23, 1998), 63 FR 4509 (January 29, 1998) (SR-MSRB-98-02); and 39577 (January 23, 1998), 63 FR 4513 (January 29, 1998) (SR-NYSE-97-33).

<sup>5</sup> The American Stock Exchange, Inc. ("Amex") has also filed with the Commission a proposed rule change to modify its rules regarding the continuing education of registered persons. That rule proposal is duplicative of the rule proposals being approved today. Accordingly, the Commission, in a separate order, is approving, on an accelerated basis, the Amex's proposed rule change. See Securities Exchange Act Release No. 39711 (March 3, 1998).

<sup>6</sup> In addition, the Commission and the North American Securities Administrators Association each have liaisons assigned to the Council.

<sup>7</sup> For purposes of the proposed rules, the term "registered person" means any person required to be registered under the rules of the applicable SRO, including members and registered representatives, but does not include any person whose activities are limited solely to the transaction of business on the floor of a national securities exchange with members or registered broker-dealers. When used with reference to the MSRB, however, the term "registered person" means any person registered with the appropriate enforcement authority as a municipal securities representative, municipal securities principal, municipal securities sales principal, or financial and operation principal pursuant to MSRB Rule G-3.