



**U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416**

**OFFICE OF
INSPECTOR GENERAL**

February 20, 2001

Honorable Ernest J. Istook, Jr.
Chairman
Subcommittee on Treasury, Postal Service,
and General Government
Committee on Appropriations
B-307 Rayburn House Office Building
Washington, DC 20515-6028

Dear Mr. Chairman:

Pursuant to section 646 of the Treasury and General Government Appropriations Act, 2001 (the Act), we are providing this report on the Small Business Administration's (SBA's) (1) collection or review of singular data or the creation of aggregate lists that include personally identifiable information about individuals who access any web site; and (2) entering into agreements with third parties to collect, review, or obtain aggregate lists or singular data containing personally identifiable information relating to any individual's access or viewing habits for governmental or non-government sites. To complete this report, we reviewed SBA's Internet privacy policy and prior General Accounting Office (GAO) reports, examined SBA Web pages, and interviewed and obtained statements from agency officials.

Results

SBA only collects personal information about individuals who access SBA's web site when it is voluntarily provided. Information, such as name and address, is collected on a number of SBA web pages to enable the Agency to provide a requested service, such as answering questions, providing information, and enrolling companies in SBA programs. We found no instances of improper use of "cookie" files or undisclosed collection of personal information. SBA's policy on collection of personal information about individuals who access the Agency's web sites complies with OMB guidance and is generally posted at major entry points and sites where personal information is collected. In addition, SBA has taken steps to address issues related to Internet privacy that were identified in prior GAO reviews. Lastly, according to SBA management, the Agency has not entered into any agreements with third parties, including other Government agencies, to collect, review, or obtain personal information relating to any individual's access or viewing habits for governmental and non-governmental Internet sites.

Collection of Personal Information

We identified ten SBA web pages (see Attachment 1) where individuals can voluntarily submit personal information via interactive forms. In general, the information collected on these pages is business related. In some cases, however, personal information, such as name, address, and phone number, is collected. The information is collected to enable SBA to provide a requested service, such as providing information or registration in an SBA program. In general, the purpose and use of this voluntarily submitted information is disclosed (a) on the pages (or links to those pages) where the information is collected and (b) in the Internet privacy policy statement (see Attachment 2). In addition, a number of other pages on SBA's web site allow individuals to submit e-mails. Such e-mails contain the sender's e-mail address and may, if voluntarily provided, contain other personal information. The use of such information is also disclosed in the privacy policy.

In addition, as part of its Internet site management and for statistical purposes, SBA automatically collects the following information about access to its Internet sites:

- Date and time
- Originating Internet Protocol address
- Object requested
- Address of the web site from which the SBA site was accessed
- Type of browser used
- Completion status of the request

As disclosed in the Internet privacy policy, this information is used to assess information that is of the most and least interest; determine technical design specifications; and identify system performance or problem areas. According to SBA management, the information is not used to identify individual users or their usage habits.

Cookie Usage and Undisclosed Collection of Information

Cookies are small files transferred to a visitor's computer to monitor the visitor's usage of the site and can potentially be used for the undisclosed collection of personal information. Cookies may be classified as session cookies or persistent cookies. Session cookies are erased when the user ends the Internet session, while persistent cookies remain on the user's computer for some predetermined period of time. OMB Memorandum 00-13 establishes guidelines for cookie usage at Federal web sites. It is a privacy concern when the Government tracks users' activities through time and across web sites without disclosure. As a result, cookie usage is discouraged. OMB clarified this policy, however, to allow the use of session cookies since these retain information only during a single session and do not collect information in ways that raise privacy concerns.

We accessed and analyzed over 250 of SBA's publicly accessible web pages and did not detect the use of persistent cookies or other undisclosed collection of information on any of those sites. Four pages used session cookies to enable interactive use. This use of cookies was disclosed on the posted privacy policy, and we concluded that it complied with OMB guidelines.

Privacy policy

OMB Memorandum M-99-18 requires Federal agencies to post privacy policies on their principal web sites and at web sites where substantial personal information is collected from the public. The policy must clearly and concisely inform visitors to the site what information the agency collects about individuals, why the agency collects it, and how the agency will use it. The policy is clearly labeled and easily accessed when someone visits a web site. SBA's policy complies with these requirements.

We did, however, note some instances where the privacy policy was not posted or linked to major points of entry and pages where personal information is collected. Of the 14 most frequently visited web pages, 7 did not have a link to the agency privacy policy. Of the 10 pages with interactive forms where personal data can be collected (or entry points to those pages), 2 did not have a link to the privacy policy (see Attachment 1). In addition, the privacy policy was not always linked to pages where visitors have the option of submitting e-mail questions or comments. When we brought this to the attention of the Chief Information Officer, he took immediate steps to have links to the privacy policy added.

Prior GAO Reviews

GAO¹ previously reported that one SBA web site gave a persistent cookie without disclosure. According to SBA, the use of this cookie was inadvertent, and the cookie has since been removed. GAO issued another report² with issues related to Internet privacy. The Agency has taken appropriate steps to address those issues.

Data Sharing Activities

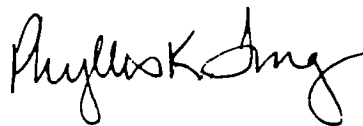
We obtained statements from the SBA's Chief Information Officer and the program offices responsible for data collection at the SBA web sites listed on Attachment 1. According to those statements, SBA had not entered into any agreements to share personally identifiable information with governmental or non-governmental third parties. In some cases, however, the whole point of the information collection is to make it available to the public or other Government agencies. In such cases, the information collected is searchable by the public via interactive web pages. The use of this information is disclosed and, according to the program offices, it is not used for any other purpose. In addition, some of the information collected is subject to disclosure through the Freedom of Information Act. Disclosure decisions would be made in accordance with the Freedom of Information Act requirements.

¹ GAO-01-147R Federal Agency Use of Cookies

² GAO /GGD-00-191 Internet Privacy: Agencies' Efforts to Implement OMB's Privacy Policy

Should you or your staff have any questions, please contact me or Robert G. Seabrooks,
Assistant Inspector General for Auditing (202) 205-6580.

Sincerely,

A handwritten signature in black ink, appearing to read "Phyllis K. Fong". The signature is fluid and cursive, with the first name "Phyllis" being the most prominent part.

Phyllis K. Fong
Inspector General

cc:
Honorable Byron L. Dorgan
Ranking Minority Member