



Highlights of [GAO-03-304](#), a report to the Ranking Minority Member, Committee on Governmental Affairs, U.S. Senate

PRIVACY ACT

OMB Leadership Needed to Improve Agency Compliance

Why GAO Did This Study

The Privacy Act regulates how federal agencies may use the personal information that individuals supply when obtaining government services or fulfilling obligations—for example, applying for a small business loan or paying taxes. GAO was asked to review, among other things, agency compliance with the Privacy Act and related guidance from the Office of Management and Budget (OMB).

What GAO Recommends

GAO recommends that the Director, OMB, take a number of steps aimed at improving agency compliance with the Privacy Act, including overseeing and monitoring agency actions, reassessing the need for additional guidance to agencies, and raising agency awareness of the importance of the act. In providing comments, OMB officials stated that the draft report does not support the conclusion that, without improved compliance, the government cannot ensure the protection of individual privacy rights; these officials stated that GAO’s treatment of the various provisions of the act as equally important in protecting privacy is flawed. GAO’s view, however, is that Congress enacted a series of requirements designed, in total, to protect privacy; accordingly, GAO based its conclusions on a comprehensive analysis of agency compliance with a broad range of requirements.

www.gao.gov/cgi-bin/getrpt?GAO-03-304.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or koontzl@gao.gov.

What GAO Found

Based on responses from 25 selected agencies to GAO surveys, compliance with Privacy Act requirements and OMB guidance is generally high in many areas, but it is uneven across the federal government. For example, GAO used agency responses to estimate 100 percent compliance with the requirement to issue a rule explaining to the public why personal information is exempt from certain provisions of the act (see table). In contrast, GAO estimates 71 percent compliance with the requirement that personal information should be complete, accurate, relevant, and timely before it is disclosed to a nonfederal organization. As a result of this uneven compliance, the government cannot adequately assure the public that all legislated individual privacy rights are being protected.

Agency senior privacy officials acknowledge the uneven compliance but report a number of difficult implementation issues in a rapidly changing environment. Of these issues, privacy officials gave most importance to the need for further OMB leadership and guidance. Although agencies are not generally dissatisfied with OMB’s guidance on the Privacy Act, they made specific suggestions regarding areas in which additional guidance is needed, such as the act’s application to electronic records. Besides these gaps in guidance, additional issues included the low agency priority given to implementing the act and insufficient employee training on the act. If these implementation issues and the overall uneven compliance are not addressed, the government will not be able to provide the public with sufficient assurance that all legislated individual privacy rights are adequately protected.

Examples of Compliance with Requirements of the Privacy Act

Requirement	Compliance estimates
Issuing a rule that explains why the agency considers an exemption necessary	100% compliance
Being able to account for all disclosures of individual’s records outside the agency	86% compliance; 14% not in compliance
Reviewing routine disclosures of information outside the agency to ensure that these continue to be compatible with the purpose for which the information was collected (fiscal years 1998–2001)	82% compliance; 18% not in compliance
Before disclosing records to a nonfederal organization, ensuring that the information is complete, accurate, relevant, and timely	71% compliance; 29% not in compliance

Source: GAO.

Note: Agency response rates to compliance surveys ranged from 76 to 100 percent. To give greater assurance about the accuracy of agency responses, GAO verified a random sample of responses.