

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Federal Housing Enterprise Oversight

Privacy Act of 1974, As Amended; New System of Records

AGENCY: Office of Federal Housing Enterprise Oversight, HUD.

ACTION: Notice of New System of Records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended, 5 U.S.C. 552a (Privacy Act), the Office of Federal Housing Enterprise Oversight (OFHEO) is issuing public notice of its intent to establish a new Privacy Act system of records. The new system is titled Litigation and Enforcement Information System (LEIS). The proposed system of records is necessary, as it will contain OFHEO generated records in connection with civil and administrative proceedings, including enforcement actions brought by or against OFHEO, and other proceedings in which OFHEO participates or has an interest in, and are relative to enforcement of the Safety and Soundness of Freddie Mac and Fannie Mae. OFHEO will use the LEIS to assess and maintain administrative enforcement actions under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) (12 U.S.C. 4501 et seq.) to defend itself and its interests in administrative or civil litigation relating to the Safety and Soundness Act and to make necessary referrals to other government agencies in the enforcement of federal laws.

DATES: Written comments must be received by or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. If no public comments are received, the proposed new system of records will become effective on [INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by “LEIS,” by any of the following methods:

- **Federal e-Rulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.
- **Agency Web Site:** www.ofheo.gov. Follow the instructions for submitting comments on the OFHEO web site.
- **E-mail:** RegComments@OFHEO.gov. Please include “LEIS” in the subject line of the message.
- **Mail:** The mailing address for comments is: Alfred M. Pollard, General Counsel, Attention: Comments “LEIS,” Office of Federal Housing Enterprise Oversight, Fourth Floor, 1700 G Street, NW, Washington, DC 20552.
- **Hand Delivery/Courier:** The address for hand delivery/courier is: Alfred M. Pollard, General Counsel, Attention: Comments “LEIS,” Office of Federal Housing Enterprise Oversight, Fourth Floor, 1700 G Street, NW, Washington, DC 20552. The package should be logged at the Guard Desk, First Floor, on business days between 9 a.m. and 3 p.m.

See **Supplementary Information** for additional information on submission and posting of comments.

FOR FURTHER INFORMATION CONTACT: Mark D. Laponsky, Deputy General Counsel, telephone (202) 414-3832 (not a toll-free number); Office of Federal Housing Enterprise Oversight, Fourth Floor, 1700 G Street, NW, Washington, DC 20552. The telephone number for the Telecommunications Device for the Deaf is (800) 877-8339 (TDD Only).

SUPPLEMENTARY INFORMATION:

Instructions: OFHEO seeks public comments on the proposed new system and will take all comments into consideration before issuing the final notice. Comments should include the agency name and the reference “LEIS” as well as your name and other contact information in the body of your comment. OFHEO further requests that comments submitted in hard copy also be accompanied by the electronic version in Microsoft® Word or in portable document format (PDF) on 3.5” disk or CD-ROM.

Posting and Public Availability of Comments: All comments received will be posted without change to <http://www.regulations.gov>, as well as on the OFHEO Internet web site at <http://www.ofheo.gov>, and will include any personal information provided. In addition, copies of all comments received will be available for examination by the public on business days between the hours of 10 a.m. and 3 p.m., at the Office of Federal Housing Enterprise Oversight, Fourth Floor, 1700 G Street, NW, Washington, DC 20552. To make an appointment to inspect comments, please call the Office of General Counsel at (202) 414-6924.

Introduction: This notice informs the public of OFHEO’s proposal to establish and maintain a new system of records. This notice satisfies the Privacy Act requirement that

an agency publish a system of records notice in the Federal Register when there is an addition to the agency's system of records. The proposed new system of records is: OFHEO—11—Litigation and Enforcement Information System (LEIS).

Application of Privacy Act exemptions: It has been recognized by Congress that application of all requirements of the Act to certain categories of records may have an undesirable and often unacceptable effect upon agencies in the conduct of necessary public business. Consequently, Congress established general exemptions and specific exemptions that could be used to exempt records from provisions of the Privacy Act. Congress also required that exempting records from provisions of the Privacy Act would require the head of an agency to publish a determination to exempt a record from the Act as a rule in accordance with the Administrative Procedures Act. Therefore, the Director of OFHEO has determined that certain records and information in the LEIS are exempt from certain requirements of the Privacy Act under 5 U.S.C. 552a(k)(2) as investigatory materials compiled for law enforcement purposes.

As required by 5 U.S.C. 552a(r) of the Privacy Act, and pursuant to paragraph 4c of Appendix I to OMB Circular No. A-130, OFHEO has submitted a report describing the new system of records covered by this notice to the House Committee on Government Reform, the Senate Committee on Homeland Security and Governmental Affairs, and the Office of Management and Budget. The proposed new system of records described above is set forth in its entirety below.

Dated: _____

James B. Lockhart III
Director.

OFHEO—11

SYSTEM NAME:

Litigation and Enforcement Information System.

SECURITY CLASSIFICATION:

Most records are not classified. However, in some cases, records of certain individuals, or portions of some records may be classified in the interest of national security.

SYSTEM LOCATION:

The LEIS is located in the Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Fourth Floor, Washington, DC 20552, and any alternate work site utilized by employees of the Office of Federal Housing Enterprise Oversight (OFHEO) or individuals assisting such employees.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The LEIS contains information about individuals in connection with civil, regulatory and administrative proceedings, including enforcement proceedings, brought by or against OFHEO, and other proceedings in which OFHEO participates or has an interest. The LEIS contains the names and other personally identifiable information of individuals who are parties to such proceedings and actual or potential witnesses in connection with such proceedings.

CATEGORIES OF RECORDS IN THE SYSTEM:

The LEIS includes records generated or assembled in connection with civil, regulatory and administrative proceedings, including enforcement proceedings, other proceedings brought by or against OFHEO, and other proceedings in which OFHEO

participates or has an interest. Such records may include but are not limited to intra- or inter-agency correspondence or memoranda; criminal referral reports; federal, state or local criminal law enforcement agency investigatory reports, intra-agency investigative reports; citizen accounts of events that may include allegations of wrongdoing; evidentiary material, transcripts of testimony and exhibits thereto, names of witnesses, discovery materials, and other documents generated or obtained in connection with the proceeding. The LEIS also includes records and documents generated in connection with court or administrative tribunal databases and electronic access services such as Public Access to Court Electronic Records (PACER). **Note:** Certain records contained in this system of records may be proprietary to other federal agencies. OFHEO will notify the proprietary agency of any request relating to such records and seek its guidance with respect to disposition. OFHEO may forward such a request to the proprietary agency for disposition under its regulations.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The Safety and Soundness Act (12 U.S.C. 4513(b); and 12 U.S.C. 4631-4636.)

PURPOSES:

Information in this system is used by OFHEO to support its regulatory, supervisory and enforcement functions, and to represent its interests in connection with civil, regulatory or administrative proceedings, including enforcement actions brought by or against OFHEO, or in which OFHEO participates.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF

USERS AND THE PURPOSES OF SUCH USES:

In addition to the conditions of disclosure under 5 U.S.C. 552a(b) and in addition to the general routine uses identified in the Prefatory Statement of General Routine Uses, 63 FR 9007 (February 23, 1998), it shall be a routine use to disclose information contained in this system for the purposes and to the users identified below:

1. To the Department of Justice or any other federal government agency such as the Securities and Exchange Commission, or Congress or any foreign, state or local agency responsible for enforcing, investigating or prosecuting civil or criminal laws or regulations where the information is relevant to an enforcement proceeding, investigation or prosecution within such agency's jurisdiction, and as may be necessary to pursue or coordinate enforcement, administrative, regulatory, or other proceedings, investigations and inquiries;

2. To a federal or state court, magistrate, administrative law judge, administrative tribunal, or grand jury in the course of presenting evidence, including disclosures to counsel or witnesses in the course of discovery, litigation, or settlement negotiations and/or in response to subpoenas seeking documents or testimony relevant or potentially relevant to the subject proceeding; and, where relevant or potentially relevant to the proceeding, to the court or administrative tribunal databases and electronic access services such as PACER;

3. To a consultant, person, or entity, including outside counsel, contractors, copying services, document database service providers, or other firms or individuals who contract or subcontract with OFHEO, to the extent necessary for the performance of the contract or subcontract and consistent with the purposes of this system of records. The recipient of

the records shall be required to comply with the requirements of the Privacy Act of 1974, as amended (5 U.S.C. 552a).

4. To the General Services Administration and the National Archives and Records Administration for the purpose of records management inspections conducted under statutory authority of 44 U.S.C. 2904 and 2906.

5. To appropriate agencies, entities, and persons when (a) OFHEO suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (b) OFHEO has determined, that as a result of the suspected or confirmed compromise, there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with OFHEO's efforts to respond to the suspected or confirmed compromise and prevent, minimize or remedy such harm.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Disclosures may be made from this system pursuant to 5 U.S.C. 552a(b)(12) to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) when OFHEO is trying to collect a claim of the Government under a law, except the Internal Revenue Code of 1986, in accordance with 31 U.S.C. 3711(e).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND

DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are stored in electronic format and in paper format in a secure location. Paper records are maintained in file folders, index cards, rolodex-type files, notebooks, or files. Electronic records are maintained on computer hard drives, network systems, magnetic tape, diskette, or other machine readable format.

RETRIEVABILITY:

Records are retrievable by subject name, title, or other personal identifier.

SAFEGUARDS:

Electronic records are password protected and available only to authorized personnel. Paper documents are kept in locked offices and only available to authorized personnel. Access is restricted to staff who have a need to access the system in performance of their duties. Back up tapes are stored in a locked, controlled room in a secure location.

RETENTION AND DISPOSAL:

These records will be retained for a minimum of seven years. The National Archives and Records Administration (NARA) will determine if the retention period should be longer than seven years. Paper records that have met the NARA approved schedule will be disposed of by shredding. Electronic records that have met the NARA approved schedule will be deleted, erased, or overwritten.

SYSTEM MANAGER AND ADDRESS:

General Counsel, Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Washington, DC 20552.

NOTIFICATION PROCEDURE:

Contact the Privacy Act Officer, Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Fourth Floor, Washington, DC 20552.

RECORD ACCESS PROCEDURES:

The OFHEO regulation for providing access to records appears at 12 CFR part 1702. If additional information or assistance is required, contact the Privacy Act Officer, Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Fourth Floor, Washington, DC 20552. Access to certain materials in this System of Records may be withheld or exempted under 5 U.S.C. 552a(d)(5) if compiled in reasonable anticipation of litigation or if subject to the attorney-client privilege or other recognized privileges.

CONTESTING RECORD PROCEDURES:

The OFHEO regulation for contesting records procedures appears at 12 CFR part 1702. If additional information or assistance is required, contact the Privacy Act Appeals Officer, Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Fourth Floor, Washington, DC 20552.

RECORD SOURCE CATEGORIES:

The information contained in these records is provided by the individual who is the subject of the record, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation (collectively, "Enterprises") for whom the individual works or worked; witnesses; consultants to the Enterprise for whom the individual works or worked; consultants to OFHEO; U.S. attorneys, administrative tribunals, U.S. district courts; other federal, state, or local agencies; parties to the proceedings; or other sources of discovery relevant to the proceedings.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

Certain records and information in this system that are investigatory and compiled for law enforcement purposes are exempt under subsection 552a(k)(2) of the Privacy Act to the extent that information within the system meets the criteria of that subsection of the Act. Such information has been exempted from the provisions of subsections (c)(3), (d)(1), (2), (3) and (4); (e)(1), (3)(4)(G) and (I), and (f) of the 5 U.S.C. 552a; see 12 CFR part 1702.

The exemption is necessary in order to protect information relating to law enforcement investigations from disclosure to subjects of investigations and others who could interfere with investigatory and law enforcement activities. Exemption will preclude subjects of investigations from frustrating investigations, will avoid disclosure of investigative techniques, will protect the identities and safety of confidential informants and of law enforcement personnel, will ensure OFHEO's ability to obtain information from human sources, will protect the privacy of third-parties, and will safeguard sensitive information.

Certain records contained in this system of records may be proprietary to other federal agencies and subject to exemptions imposed by those agencies, including the criminal law enforcement investigatory material exemption of 5 U.S.C. 552a(j)(2).