

# Notices

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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; System of Records

**AGENCY:** Office of the Secretary, USDA.

**ACTION:** Notice of New Privacy Act System of Records—Food Stamp Program Retailer Information.

**SUMMARY:** The United States Department of Agriculture (USDA), Food and Consumer Service (FCS), is proposing to establish a new system of records in accordance with the Privacy Act of 1974. This system of records, entitled Food Stamp Program Retailer Information, USDA/FCS-9, is necessary in order for FCS to administer the enforcement provisions of section 9 of the Food Stamp Act of 1977, as amended. Information contained in this system of records will be used to determine whether retail or wholesale store owners and officers, and/or owners and officers associated with other entities authorized to redeem food stamps, such as private restaurants that qualify to participate in the special restaurant program to serve elderly, homeless and disabled Food Stamp Program (FSP) recipients, qualify to participate or continue to participate in the FSP, to monitor compliance with program regulations, and for program management.

**EFFECTIVE DATE:** This notice will be effective, without further notice, January 13, 1997, unless modified by a subsequent notice to incorporate comments received from the public. Comments must be received by the contact person listed below on or before January 21, 1997, to be assured of consideration.

**ADDRESSES:** Comments should be addressed to: Thomas O'Connor, Director, Benefit Redemption Division, Food and Consumer Service, USDA, Room 706, 3101 Park Center Drive,

Alexandria, Virginia 22302. Telephone: (703) 305-2419.

#### FOR FURTHER INFORMATION CONTACT:

Joseph M. Scordato, FCS Privacy Act Officer, Room 308, 3101 Park Center Drive, Alexandria, Virginia 22302. Telephone: (703) 305-2244.

**SUPPLEMENTARY INFORMATION:** In accordance with section 9 of the Food Stamp Act of 1977, as amended, (7 U.S.C. 2018), and USDA FSP regulations (7 CFR part 278), each retail or wholesale food store or other eligible entity that desires to participate or continue to participate in the FSP must file such application for authorization or reauthorization as prescribed by FCS. The information provided in the application for authorization or reauthorization is used to determine whether a retail or wholesale store or other entity, such as private restaurants that qualify to participate in the special restaurant program to serve elderly, homeless and disabled FSP recipients, qualifies or continues to qualify to participate in the FSP, to monitor compliance with program regulations, and for program management.

Section 1735 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101-624, 104 Stat. 3359) amended section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)) and added section 6109(f) to the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)) to authorize FCS to request each applicant retail or wholesale store or other entity to furnish FCS the Social Security Number (SSN) of each individual who is an officer of a corporate applicant and, in the case of a privately owned applicant, the SSN of each owner, as well as the employer identification numbers (EINs) assigned to the applicant by the Internal Revenue Service. Public Law 101-624 also provided that no officer or employee of USDA may have access to the SSN or EIN information provided in the applications for any purpose other than the establishment and maintenance of a list of such individuals for use in determining those applicants who have been previously sanctioned or convicted under sections 12 or 15 of the Food Stamp Act (7 U.S.C. 2021 or 2024).

When FCS determines that a store or other concern qualifies to participate in the FSP, the information provided by the applicant on the application including the personal information (i.e.,

name, home address, SSN, and date of birth) pertaining to the owners or officers, is entered into the FCS' computer database (i.e., Store Tracking and Redemption Subsystem (STARS)). STARS is used primarily for tracking the authorization and food stamp redemption activity of owners and officers of concerns currently participating in the Food Stamp Program, as well as those owners and officers who have previously participated in the program.

Recently, FCS was given broader authority with respect to the use and disclosure of the personal identifying information provided by applicant owners and officers on their application for authorization or reauthorization. Section 203 of the Food Stamp Program Improvements Act of 1994 (Pub. L. 103-225, 108 Stat. 106) amended section 9(c) of the Food Stamp Act to expand the use and disclosure of information obtained from applicant and participating retail or wholesale food concerns and other entities, such as food stamp redemption data, as well as information about ownership (excluding SSNs and EINs) and sales data included on the initial application, in addition to information required to be submitted for purposes of determining whether a retailer or wholesaler or other concern continues to qualify. USDA/FCS may release this information to other Federal agencies or to State government agencies, for the purpose of administering and enforcing the Food Stamp Act as well as any other Federal or State laws.

In addition, section 316 of the Social Security Independence and Program Improvements Act of 1994 (Pub. L. 103-296, 108 Stat. 1464) expanded the authority of FCS to share SSNs and EINs of food stamp retailers or wholesalers with other Federal agencies to the extent that the Secretary of Agriculture determines sharing would assist another Federal agency, which otherwise has access to SSNs and EINs in accordance with applicable Federal law, in verifying and matching information. The recipient agency may use the information so supplied only for the purpose of enforcing Federal laws. The SSNs and EINs of owners and officers will not be shared with State entities.

A "Report on New System," required by 5 U.S.C. 552a(r), as implemented by OMB Circular A-130, was sent to the

Chairman, Senate Committee on Governmental Affairs, the Chairman, House Committee on Government Operations, and to the Administrator, Office of Information and Regulatory Affairs, of the Office of Management and Budget on November 18, 1996.

Signed at Washington, DC, on November 18, 1996.

Dan Glickman,  
*Secretary of Agriculture.*

**SYSTEM NAME:** USDA/FC5-9

Food Stamp Program Retailer Information.

**SECURITY CLASSIFICATION:**

None.

**SYSTEM LOCATION:**

The paper records (i.e., the applications for authorization and reauthorization) which contain the personal identifying information on retail and wholesale store owners and officers, and/or owners and officers associated with other entities, are located in FCS field offices throughout the United States. The location of each FCS field office may be found in the local phone books. The host computer database which contains the STARS database, is located at the Minneapolis Computer Support Center, PO Box 135, Minneapolis, Minnesota 55440.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:**

The system consists of personal information from owners and officers of stores and other entities currently participating in the Food Stamp Program, as well as those owners and officers who have previously participated in the program. The individual paper records (i.e., applications for authorization) located in FCS field offices also contain personal information from owners and officers who applied for authorization to participate in the FSP but were denied authorization.

**CATEGORIES OF RECORDS IN THE SYSTEM:**

The applications for authorization and reauthorization are in the STARS database and located in the files of FCS field offices. The applications contain the following personal information regarding owners and officers: Name, home address, social security number, and date of birth. Financial data (i.e., food sales, gross sales, food stamp redemption data) relative to each entity currently authorized or previously authorized is in the STARS database. While this information is not covered by the Privacy Act when associated with business information, it is subject to the

Privacy Act when associated with the personal information of owners and officers of such entities.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

Section 9 of the Food Stamp Act of 1977, as amended, (7 U.S.C. 2018); section 1735 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. 101-624, 104 Stat. 3359); section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)); and section 6109(f) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)).

**PURPOSE:**

This information will be shared with other Federal and State entities to assist in the administration and enforcement of the Food Stamp Act, as well as other Federal and State laws. STARS is used primarily for tracking the authorization and food stamp redemption activity of owners and officers of entities currently participating in the Food Stamp Program, as well as those owners and officers who have previously participated in the Food Stamp Program.

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

**LIMITATIONS ON DISCLOSURE UNDER THE FOLLOWING ROUTINE USES (1) THROUGH (10):**

Information obtained from applicants under the authority of 7 U.S.C. 2018(c) may be used or disclosed only as specified in 7 U.S.C. 2018(c).

Applicant social security numbers and employer identification numbers may be disclosed only to other Federal agencies authorized to have access to social security numbers and employer identification numbers, and only when the Secretary of Agriculture determines that disclosure would assist in verifying and matching such information against information maintained by such other agency. 42 U.S.C. 405(c)(2)(C)(iii); 26 U.S.C. 6109(f).

(1) USDA/FCS may disclose information from this system of records to the Department of Justice (DOJ), a court or other tribunal, or another party before such tribunal, when USDA, any component thereof, or any employee of the USDA in his or her official capacity, any USDA employee in his or her individual capacity where DOJ (or USDA where it is authorized to do so) has agreed to represent the employee, or the United States where USDA determines that the litigation is likely to affect directly the operations of USDA or any of its components, is a party to the litigation or has an interest in such litigation, and USDA determines that

the use of such records by DOJ, the court or other tribunal, or the other party before such tribunal is relevant and necessary to the litigation; provided, however, that in each case, USDA determines that such disclosure is compatible with the purpose for which the records were collected.

(2) In the event that material in this system indicates a violation of the Food Stamp Act or any other Federal or State law whether civil or criminal or regulatory in nature, and whether arising by general statute, or by regulation, rule or order issued pursuant thereto, USDA/FCS may disclose the relevant records to the appropriate agency, whether Federal or State, charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation or order issued pursuant thereto.

(3) USDA/FCS may disclose records from this system of records to a congressional office from the record of an individual provided that individual gave the congressional office permission to inquire on his or her behalf.

(4) USDA/FCS may disclose information from this system of records to the Internal Revenue Service for the purpose of offsetting a monetary penalty for violations committed under the Food Stamp Program against a tax refund that may be due to the debtor.

(5) USDA/FCS may disclose information from this system of records to other Federal and State agencies to respond to specific requests from such Federal and State agencies for the purpose of administering the Food Stamp Act as well as other Federal and State laws.

(6) USDA/FCS may disclose information from this system of records to other Federal and State agencies to verify information reported by applicants and participating firms, and to assist in the administration and enforcement of the Food Stamp Act as well as other Federal and State laws.

(7) USDA/FCS may disclose information from this system of records to other Federal and State agencies for the purpose of conducting computer matching programs.

(8) USDA/FCS may disclose information from this system of records to private entities having contractual agreements with USDA for designing, developing, and operating the system, and for verification and computer matching purposes.

(9) USDA/FCS may disclose an owner's home address to a financial institution to verify information contained on a redemption certificate

(Form FCS-278B, formerly Form FNS-278B) submitted by a participating retailer. Authorized entities use these certificates when depositing food coupons at financial institutions. On occasion, particularly with small businesses, the owner's business address may also be the owner's home address.

(10) USDA/FCS will disclose information from this system of records to the Internal Revenue Service, for the purpose of reporting delinquent retailer and wholesaler monetary penalties of \$600 or more for violations committed under the Food Stamp Program. USDA/FCS will report each delinquent debt to the Internal Revenue Service on Form 1099-C (Cancellation of Debt). USDA/FCS will report these debts to the Internal Revenue Service under the authority of the Income Tax Regulations (26 CFR parts 1 and 602) under section 6050P of the Internal Revenue Code.

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

**STORAGE:**

File folders, magnetic tapes, and computer disks.

**RETRIEVABILITY:**

In STARS, the personal identifying information is retrievable by owner's name and by SSN.

**SAFEGUARDS:**

1. *Authorized Users:* When designing, developing and/or operating a system of records on individuals, contractors are required to comply with all provisions of the Privacy Act. Contractors are required to maintain and protect the personal data and cannot release or share data without consulting with FCS. Access to records maintained within FCS is limited to those staff officials responsible for the subject system of records. Otherwise, access is limited to persons authorized and needing to use the records, including project directors, contract officers, programmers, analysts, statisticians, statistical clerks and key punch operators on the staff of the contractors or in the FCS.

2. *Physical Safeguards:* Paper records are stored in locked safes, locked files, and locked offices when not in use. Computer terminals used to process personal identifiable data are located in secured areas and are accessible only to authorized users. Back up records which are stored off-site shall be used and stored under the same secure conditions.

3. *Procedural Safeguards:* In order to access STARS, each authorized individual is given a personal access ID

and password. The individual's password must be changed at least every 45 days or whenever the individual feels it might have been compromised.

Access to personal information contained in the STARS database and to the paper record files is restricted to those individuals who have been authorized by FCS and who have a need to know such information in the performance of their official duties in administering the Food Stamp Act and other Federal and State laws. SSNs cannot be viewed on screen in STARS by those individuals who are not specifically authorized to view them.

FCS personnel, project officers, and contract officers oversee compliance with these requirements. When appropriate, FCS personnel will review the site facilities to ensure that records have been maintained in accordance with the terms of this notice.

**RETENTION AND DISPOSAL:**

In STARS, the personal identifying information is maintained indefinitely. The applications for authorization and reauthorization are kept in the FCS field offices for three years and then destroyed pursuant to the applicable document retention and disposal schedule.

**SYSTEM MANAGER AND ADDRESS:**

Thomas O'Connor, Director, Benefit Redemption Division, Food and Consumer Service, United States Department of Agriculture, Room 706, 3101 Park Center Drive, Alexandria, Virginia 22302.

**NOTIFICATION PROCEDURE:**

Any individual may request information regarding this system of records from the System Manager. The request must be in writing.

**RECORD ACCESS PROCEDURES:**

An individual who wishes to request access to records in the system which pertains to him or her may submit a written request to the System Manager. The envelope and the letter should be marked, "Privacy Act Request". An individual may be required to reference the record by furnishing name, address, Social Security Number, and/or other identifiers needed by FCS.

**CONTESTING RECORD PROCEDURES:**

Individuals desiring to contest or amend information maintained in the system should direct their request to the System Manager. The request should include, as appropriate, the reasons for contesting it, and the proposed amendment to the information with supporting information to show how the

record is inaccurate, incomplete, untimely, or irrelevant.

**RECORD SOURCE CATEGORIES:**

Information in this system comes from the authorization and reauthorization applications of stores and other entities which are currently participating in the Food Stamp Program, as well as information on file for those entities which have previously participated in the program. Personal information in this system of records is also obtained from the owners and officers of such entities as reported on the authorization and reauthorization applications.

The STARS database also keeps a food stamp redemption history on such entities. The database maintains the dollar amount of food stamp benefits accepted by each entity currently authorized or previously authorized.

**EXEMPTIONS CLAIMED FOR THE SYSTEM:**

None.

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**Food and Consumer Service**

**Agency Information Collection Activities: Proposed Collection; Comment Request: Supplemental Security Income (SSI)/Food Stamp Program (FSP) Joint Processing Alternatives Demonstration Evaluation**

**AGENCY:** Food and Consumer Service, USDA.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Food and Consumer Service's (FCS) intent to request Office of Management and Budget (OMB) review of the data collection for the Supplemental Security Income (SSI)/Food Stamp Program (FSP) Joint Processing Alternatives Demonstration Evaluation.

**DATES:** Comments on this notice must be received by January 31, 1997.

**ADDRESSES:** Comments are invited on:  
(a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;  
(b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;  
(c) ways to enhance the quality, utility, and clarity of the information to be collected; and  
(d) ways to minimize the burden of the collection of information