



Privacy Impact Assessment Update
for the
**Financial Disclosure Management
(FDM)**

November 24, 2009

Contact Point

**Cynthia D. Morgan, Financial Disclosure Program Manager
Ethics Division Office of General Counsel
(202) 447-3514**

Reviewing Official

**Mary Ellen Callahan
Chief Privacy Officer
Department of Homeland Security
(703) 235-0780**



Abstract

The Ethics Division of the Office of General Counsel (OGC) of the Department of Homeland Security (DHS) is publishing this update to the Privacy Impact Assessment (PIA) for the Financial Disclosure Management System (FDMS)¹ dated September 30, 2008. FDMS is a web-based initiative developed to provide a mechanism for individuals to complete, sign, review, and file financial disclosure reports, first required by Title I of the Ethics in Government Act of 1978. This update will extend coverage to the personally identifiable information (PII) collected in Executive Branch Confidential Financial Disclosure Reports (OGE Form 450).

Introduction

FDM is a secure, web-based software program, developed and administered by the Department of the Army that helps guide financial disclosure Filers to accurately prepare and electronically file annual Executive Branch Public Financial Disclosure Reports [Standard Form (SF) 278] and Executive Branch Confidential Financial Disclosure Reports [Office of Government Ethics (OGE) Form 450]. This update specifically covers the use of the system for OGE 450 Filers; whereas, the underlying PIA covered only SF 278 Filers.

While a SF 278 filer is any official or employee in the executive branch whose position is classified above the GS15 of the General Schedule,² the OGE 450 is to be filed by employees of the executive branch whose position is classified at GS-15 or below.³ The process for accessing the system remains the same for the

¹ http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_dhs_fdm.pdf

² The term public filer includes: (a) The President; (b) The Vice President; (c) Each officer or employee in the executive branch, including a special Government employee as defined in [18 U.S.C. 202\(a\)](#), whose position is classified above GS15 of the General Schedule prescribed by [5 U.S.C. 5332](#), or the rate of basic pay for which is fixed, other than under the General Schedule, at a rate equal to or greater than 120% of the minimum rate of basic pay for GS15 of the General Schedule; each member of a uniformed service whose pay grade is at or in excess of O7 under [37 U.S.C. 201](#); and each officer or employee in any other position determined by the Director of the Office of Government Ethics to be of equal classification; (d) Each employee who is an administrative law judge appointed pursuant to [5 U.S.C. 3105](#); (e) Any employee not otherwise described in paragraph (c) of this section who is in a position in the executive branch which is excepted from the competitive service by reason of being of a confidential or policy-making character, unless excluded by virtue of a determination under 2634.203 of this subpart; (f) The Postmaster General, the Deputy Postmaster General, each Governor of the Board of Governors of the United States Postal Service and each officer or employee of the United States Postal Service or Postal Rate Commission whose basic rate of pay is equal to or greater than 120% of the minimum rate of basic pay for GS15 of the General Schedule; (g) The Director of the Office of Government Ethics and each agency's primary designated agency ethics official; (h) Any civilian employee not otherwise described in paragraph (c) of this section who is employed in the Executive Office of the President (other than a special Government employee, as defined in [18 U.S.C. 202\(a\)](#)) and holds a commission of appointment from the President; and (i) Anyone whose employment in a position or office described in paragraphs (a) through (h) of this section has terminated, but who has not yet satisfied the filing requirements of 2634.201(e) of this subpart. 5 CFR 2634.202.

³ The term confidential filer includes: (a) Each officer or employee in the executive branch whose position is classified at GS15 or below of the General Schedule prescribed by [5 U.S.C. 5332](#), or the rate of basic pay for which is fixed, other than under the General Schedule, at a rate which is less than 120% of the minimum rate of basic pay for GS15 of the General Schedule; each officer or employee of the United States Postal Service or Postal Rate Commission whose basic rate of pay is less than 120% of the minimum rate of basic pay for GS15 of the General Schedule; each member



OGE Form 450 Filers as for the SF 278 Filers. All FDM users will be entered into the system and assigned their role (e.g., Filer, Supervisor, Assistant, legal staff for filer, and certifying official(s)) before access is allowed. A Department FDM Administrator will assign users one or more "Roles" (with corresponding data access privileges) during registration. Filers use their DHS computer system user logon and password to gain access to FDM. Upon accessing the system, Filers follow a step-by-step report wizard process to prepare and submit (eSign) the disclosure report form and to attach any necessary documentation. Once the filer has eSigned the report, FDM sends email notification(s) to the filer's servicing ethics official and the filer's supervisor for appropriate review/certification. Reviewing and certifying authorities use FDM to process the disclosures.

FDM contains information about the review status and report progress (e.g., draft, under review, complete) of the OGE Form 450. FDM facilitates online review of the electronically filed disclosures. The disclosures are reviewed to identify and resolve potential conflict of interest issues between a Filer's private financial interests and the Filer's official agency responsibilities.

All FDM records are maintained in accordance with the requirements of the Ethics in Government Act of 1978, the Ethics Reform Act of 1989, as amended, the Executive Order 12674 as modified, 5 CFR Part 2634, and Office of Government Ethics regulations. These requirements include the filing of financial status reports, reports concerning certain agreements between the covered individual and any prior private sector employer, ethics agreements, the preservation of waivers issued to an officer or employee pursuant to Section 208 of Title 18, U.S. Code and certificates of divestiture issued pursuant to Section 502 of the Ethics Reform Act. Such statements and related records are required to assist employees and DHS in avoiding conflicts between duties and private financial interests or affiliations. Ethics officials are also required to maintain information being researched or prepared for referral concerning employees or former employees of the Federal Government who are the subject of complaints of misconduct or alleged violations of ethics laws. These complaints may be referred to the Office of the Inspector General of the agency where the employee is or was employed or to the Department of Justice.

Reason for the PIA Update

The previous FDMS PIA described the system as it related to the filing of Executive Branch Public Financial Disclosure Reports (SF 278); this update covers the filing of Executive Branch Confidential Financial Disclosure Reports (OGE Form 450).

of a uniformed service whose pay grade is less than O7 under [37 U.S.C. 201](#); and each officer or employee in any other position determined by the designated agency ethics official to be of equal classification; if: (1) The agency concludes that the duties and responsibilities of the employee's position require that employee to participate personally and substantially (as defined in 2635.402(b)(4) of this chapter) through decision or the exercise of significant judgment, in taking a Government action regarding: (i) Contracting or procurement; (ii) Administering or monitoring grants, subsidies, licenses, or other federally conferred financial or operational benefits; (iii) Regulating or auditing any non-Federal entity; or (iv) Other activities in which the final decision or action will have a direct and substantial economic effect on the interests of any non-Federal entity; or (2) The agency concludes that the duties and responsibilities of the employee's position require the employee to file such a report to avoid involvement in a real or apparent conflict of interest, and to carry out the purposes behind any statute, Executive order, rule, or regulation applicable to or administered by that employee. Positions which might be subject to a reporting requirement under this subparagraph include those with duties which involve investigating or prosecuting violations of criminal or civil law. 5 CFR 2634.904.



Privacy Impact Analysis

In each of the sections below consider how the system has changed and what impact it has on the fair information principles. In some cases there may be no changes and indicate as such.

The System and the Information Collected and Stored within the System

While the same type of financial information will be collected in the OGE Form 450 as is collected in the SF 278, the reporting requirements of the OGE Form 450 are less stringent than that of the SF 278. For example, the OGE Form 450 does not require a filer to disclose certificates of deposit, savings accounts, or checking accounts. Also, unlike when completing a SF78, the filer is not required to list the value of the asset, the type of income the asset produces, or the amount of income earned during a reporting period.

Uses of the System and the Information

The uses of the personally identifiable information collected via OGE Form 450 have not changed with this update. DHS ethics officials use the information filers provide in the OGE Form 450 to identify and resolve any potential conflicts of interest between an employee's official duties and private financial interests and affiliations.

Retention

The retention schedule has not changed with this update.

Internal Sharing and Disclosure

The internal sharing and disclosure has not changed with this update.

External Sharing and Disclosure

When an individual occupying a position requiring the filing of an OGE Form 450 transfers to another agency to occupy a OGE Form 450 covered position, the new employing agency may request a copy of the individuals file from DHS. Reports may be transmitted in printed form and typically delivered via courier, fax, email or regular mail. Requestors may also visit the office for personal pick up.

Unlike the SF 278, which is a Public Financial Disclosure Report, the OGE Form 450, or the Confidential Financial Disclosure Report, is specifically characterized as "confidential," and is required to be withheld from the public in accordance with Section 107 of the Ethics in Government Act. Personal and financial information collected in the OGE Form 450 is presumptively protected and treated as private and sensitive in nature with access limited to select individuals/roles related to a particular filer during internal use. Application administrators are bound by regulation and individual non-disclosure agreements to safeguard report-related private information found in the Filers' records not subject to release pursuant to statute in the manner of the report itself.



Notice

As with the SF 278, OGE Form 450 filers self report and are made aware of financial disclosure filing requirements as part of the recruitment process via statements in vacancy announcements. Filers are further notified during in-processing briefings.

Filers are also provided general notice through the Government-wide Privacy Act system of records notice (SORN) issued by the Director, U.S. Office of Government Ethics (OGE), i.e., GOV OGE-1 (68 FR 3098), as well as presented with a Privacy Act statement on the system's initial login page.

Individual Access, Redress, and Correction

The process for requesting access, redress, and correction of information has not changed with this update.

Technical Access and Security

The technical access and security have not changed with this update.

Technology

The technology of FDM has not changed with this update.

Responsible Official

Cynthia D. Morgan, Financial Disclosure Program Manager
Ethics Division Office of General Counsel

Approval Signature

Original signed and on file with the DHS Privacy Office

Mary Ellen Callahan
Chief Privacy Officer
Department of Homeland Security