

Resource Center, Bureau of the Public Debt, Department of the Treasury, 200 Third Street, Room 211, Parkersburg, WV 26101-5312. Copies of all written comments will be available for public inspection and copying at the Department of the Treasury Library, Room 1428, Main Treasury Building, Washington, DC 20220. Before visiting the library, you must call 202-622-0990 for an appointment. Also, you can download comments at the following World Wide Web address: "<http://www.publicdebt.treas.gov>"

FOR FURTHER INFORMATION CONTACT: For information about Public Debt's anti-money laundering and fraud suppression program, contact the Fraud Inquiry Line at 304-480-8555. The phone line is administered by the Office of the Chief Counsel, Bureau of the Public Debt. For information about this document, contact the Office of the Chief Counsel, Bureau of the Public Debt, at 304-480-8692.

SUPPLEMENTARY INFORMATION: The mission of Public Debt is to borrow the money needed to operate the Federal Government and to account for the resulting debt. Public Debt is establishing the U.S. Treasury Securities Fraud Information System to: (1) Identify and monitor fraudulent and suspicious activity related to Treasury securities and other U.S. obligations; (2) ensure that Public Debt provides a timely and appropriate notification of a possible violation of law to law enforcement and regulatory agencies; (3) protect the Government and individuals from fraud and loss; (4) prevent the misuse of Treasury names and symbols on fraudulent instruments, and (5) compile summary reports, that conform with the spirit of the USA Patriot Act's anti-terrorism financing provisions and the Bank Secrecy Act's anti-money laundering provisions and submit the reports to the Financial Crimes Enforcement Network (FinCEN).

Public Debt has received widespread inquiries from entities and individuals who have been approached by parties in connection with offers of participation in various questionable securities practices and illegal financial instruments, some of which falsely use the Treasury name or symbol. Under 31 U.S.C. 321(a)(5), the Secretary of the Treasury has the general authority to "prescribe regulations that the Secretary considers best calculated to promote the public convenience and security, and to protect the Government and individuals from fraud and loss, that apply to anyone who may: (A) receive for the Government, Treasury notes, United States notes, or other Government

securities; or (B) be engaged or employed in preparing and issuing those notes or securities." In addition, under 31 U.S.C. 333(a), no person may use the Department of the Treasury names, symbols, etc. "in a manner which could reasonably be interpreted or construed as conveying the false impression that such advertisement, solicitation, business activity, or product is in any manner approved, endorsed, sponsored, or authorized by, or associated with, the Department of the Treasury or any entity * * * (of the Department) * * * or any officer or employee thereof." See also, 31 CFR part 27, "Civil Penalty Assessment for Misuse of Department of the Treasury Names, Symbols, Etc." Likewise, an "obligation or security of the United States" may not be photographed or reproduced, 31 CFR 103.52(a).

To ensure that the Treasury name and its products are protected from fraudulent transactions, Public Debt proposes to maintain records on entities and individuals who are potentially involved in questionable or illegal transactions and practices relating to Treasury securities and other U.S. obligations. These records might, but do not necessarily have to, include allegations of administrative, civil or criminal misconduct, from any source.

Public Debt sells Treasury bills, notes, and bonds as well as U.S. Savings Bonds to investors. In addition to maintaining records on questionable securities practices and illegal financial instruments, Public Debt proposes to maintain records on suspicious activities involving these legitimate Treasury products. Suspicious activity may be any information that Public Debt determines to have a high degree of usefulness in criminal, tax, and, regulatory investigations, or other proceedings, including credit card loss prevention programs.

In particular, Public Debt intends to establish due diligence policies, procedures, and controls that aid in the detection and reporting of any attempt at money laundering involving Treasury securities. Treasury, as an issuer of government securities and a provider of related investment services, is not addressed in the anti-terrorism and anti-money laundering provisions of the USA Patriot Act, the Bank Secrecy Act, or FinCEN's implementing regulations, 31 CFR part 103. Nevertheless, consistent with the purposes of these Acts, Public Debt will take anti-terrorism and anti-money laundering measures, maintain records, and report certain suspicious transactions to appropriate authorities, including FinCEN.

Pursuant to the Privacy Act of 1974, as amended, 5 U.S.C. 552a, Public Debt is proposing to establish the following new system of records: Treasury/BPD.009—U.S. Treasury Securities Fraud Information System.

To assist Public Debt in its regulatory and oversight functions, this system will track complaints and inquiries concerning fraudulent or suspicious transactions related to Treasury securities and other U.S. obligations.

Public Debt proposes to exempt records maintained in the system from certain of the Privacy Act's requirements pursuant to 5 U.S.C. 552a(k)(2). A proposed rule to exempt this system from certain provisions of the Privacy Act will be published separately in the **Federal Register**.

The new system of records report, as required by 5 U.S.C. 552a(r) of the Privacy Act, has been submitted to the Committee on Government Reform and Oversight of the House of Representatives, the Committee on Governmental Affairs of the Senate and the Office of Management and Budget, pursuant to Appendix I to OMB Circular A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," dated November 30, 2000.

The proposed Public Debt system of records, U.S. Treasury Securities Fraud Information System, Treasury/BPD.009, is published in its entirety below.

Dated: June 3, 2003.

W. Earl Wright, Jr.,

Chief Management and Administrative Programs Officer.

Treasury/BPD.009

SYSTEM NAME:

U.S. Treasury Securities Fraud Information System—Treasury/BPD.

SYSTEM LOCATION:

The system of records is located at the Bureau of the Public Debt in Parkersburg, WV and Washington DC as well as the Federal Reserve Banks of Boston, Buffalo, Chicago, Dallas, Kansas City, Philadelphia, Pittsburgh, Richmond, and Minneapolis. This system also covers Public Debt records that are maintained by contractor(s) under agreement. The system manager(s) maintain(s) the system location of these records. The address(es) of the contractor(s) may be obtained from the system manager(s) below.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Individuals under investigation or who make inquiries or report fraudulent