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Office of the White House Press Secretary
(Vail, Colorado)

NOTICE TO THE PRESS

The President has signed S. 3418 the Privacy Act of 1974, the purpose of which is to safeguard individual privacy from misuse of Federal records, provide individual access to records, and establish a Federal Privacy Protection Study Commission.

Background

Concern with the uses and possible abuses of personally identifiable information compiled by governments and other institutions is of long standing. Computers and the increasing size and scope of institutions compiling such information has heightened the concern.

Establishment of the Domestic Council Committee on the Right of Privacy and the President's chairmanship of that Committee, while he was Vice President, highlight the concern of the Administration with this problem.

During the 93rd Congress a number of congressmen played key roles in the development of numerous privacy initiatives and the Administration has been actively engaged with Congress in developing legislation. S. 3418 is a compromise bill reflecting the Administration's position, the position of the Senate in S. 3418 and a key House bill, H. R. 16373.

Provisions of the Bill

The bill, generally, requires agencies to annually identify record keeping systems; establishes minimum standards for all systems which would regulate the process of accumulation of data as well as its security and use; permits an individual to gain access to his record and contest its accuracy; provides administrative and judicial machinery for oversight; and establishes a study commission.

Specifically, S. 3418 requires Federal agencies to:

- permit an individual to examine records pertaining to him and to correct or amend these records

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- assure accuracy, currency, and security of records and limit record keeping activities to necessary and lawful purposes, and
- be subject to civil suit for willful or intentional action violating individual rights under the act.

The bill provides that unless an individual otherwise consents, no agency shall disclose records except under specified conditions and only to persons and agencies, or for purposes expressly provided in the bill including:

- to officers within the agency maintaining the records who need the records in their work.
- pursuant to a "routine use" -- a use compatible with the purposes for which the records were collected -- following public notice and comment on the type of "routine use"
- to the Bureau of the Census to perform their statutory functions
- to the National Archives where preservation is warranted
- to other agencies in connection with law enforcement activities under prescribed conditions
- to individuals when the health and safety of an individual is involved
- to committees of Congress with jurisdiction
- to the Comptroller General or pursuant to court order
- when required by the Freedom of Information Act for statistical purposes if the information is not in a form by which an individual may be identified.

Each agency is required to keep a detailed accounting of all disclosures of records other than disclosures under the Freedom of Information Act, make the accounting available to the individual, inform the person to whom disclosure is made of any corrections made to the records disclosed, and retain the accounting for at least five years.

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S. 3418 requires each agency to respond to a request by an individual for correction of a record pertaining to him within prescribed times, to provide procedures for an individual to contest an agency's refusal to correct a record and for noting the portions of records in dispute, and provides for judicial review of agency decisions on requests for correction of records.

S. 3418 further requires each agency to:

- limit its record keeping to that which is relevant and necessary
- inform individuals requested to provide information of the authority for the request, the purpose for collecting the record, the uses to which the records will be put, and the legal implications of not providing requested information
- publish descriptive information on record systems
- assure such accuracy, relevance, timeliness and completeness of records as is necessary to assure fairness to the individual and make reasonable efforts to meet such standards before each disclosure
- maintain no record respecting exercise of first amendment rights, and
- develop procedures to provide notice to individuals concerning certain disclosures, develop rules of conduct for those working with records, establish safeguards, provide notice of system changes, provide for disclosure of records to affected individuals and to facilitate an individual's review of the records on himself.

The bill permits judicial review of an agency's refusal to comply with a request for correction of an individual's record; refusal to permit examination of a record pertaining to him; and for a failure to comply with the Act if he is injured thereby, and permits judicial in camera court inspection of records, de novo court review, assessment of litigation costs and attorney fees to successful litigants, and actual damages incurred by the individual.

The bill provides for criminal penalties and a fine up to \$5,000 against officers and employees of agencies when such people have knowingly and willfully acted in violation of the bill. Exemptions from many of the provisions of the bill are permitted by the bill after promulgation of rules for records:

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- of the CIA and criminal justice agencies
- comprised of investigatory material for law enforcement purposes
- maintained for the protective services to the President
- required to be maintained for statistical purposes
- for determining eligibility for Federal employment or security clearance if such disclosure would violate confidentiality, and
- certain testing and examination and evaluatory material

S. 3418 requires the Office of Management and Budget to develop regulations to implement the bill and provide continuing oversight of the implementation of the bill.

S. 3418 establishes a two-year Privacy Protection Study Commission composed of seven members -- three appointed by the President and two each appointed by the Speaker of the House and the President of the Senate.

The Commission is required to conduct a study and review a wide range of public and private record systems and to analyze the relationship of such systems to constitutional rights, potential abuses, and standards established under the bill. The Commission is required to make general recommendations and to propose changes in laws or regulations on certain matters. The Commission is authorized to hold hearings, conduct inspections, issue subpoenas to compel attendance of witnesses or production of books or records, and administer oaths. The Commission may appoint an executive director and other personnel at rates not to exceed GS-18.

The bill restricts the use of Social Security numbers for identification; prohibits an agency from selling a mailing list unless authorized by law; and authorizes appropriation of \$1.5 million for fiscal years 1975, 1976, and 1977 except that no more than \$750,000 could be spent during any one fiscal year.

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