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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

LOGISTICS AND COMMUNICATIONS DIVISION

OCTOBER 31, 1980

B-200626

The Honorable Richardson Preyer
Chairman, Subcommittee on Government
Information and Individual Rights
Committee on Government Operations
House of Representatives



113987

Dear Mr. Chairman:

Subject: The Department of Housing and Urban Development's
Privacy Act Systems of Records (LCD-81-10)

Your January 16, 1980, letter requested that we review the way the Department of Housing and Urban Development (HUD) has organized and defined its systems of records.

Specifically, you asked us to (1) compare how HUD and two other selected agencies--the Veterans Administration and the Small Business Administration--have organized their systems of records, (2) provide a breakdown of HUD's accounting records system, (3) identify the reasons HUD reported fewer systems than any other cabinet level department, and (4) provide a breakdown of the changes in agencies' systems of records from 1975 through 1979. Our response to your request is included in the enclosure.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 10 days from the date of the report. Then, we will send copies to the Secretary, Housing and Urban Development, and to other interested parties and make copies available to others upon request.

Sincerely yours,

R. W. Gutmann
Director

Enclosure

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SELECTED AGENCIES' PRIVACYACT SYSTEMS OF RECORDSORGANIZATION OF SYSTEMS OF RECORDS

The three agencies included in our review--HUD, the Small Business Administration (SBA), and the Veterans Administration (VA)--each have organized their systems of records by the major purpose for which the systems are used. Each system was classified as to whether it was one of the following:

- An administrative system dealing with the internal operation of the Government, such as personnel records, travel records, or parking permit records.
- A domestic assistance program system operated in support of a program listed in the Catalog of Federal Domestic Assistance. A Federal domestic assistance program, as defined by the Office of Management and Budget, is a function of a Federal agency which provides assistance or benefits which organizations or individuals can request or apply for.
- Any agency program system other than those listed in the Catalog of Federal Domestic Assistance.

The following table summarizes the reported systems of records of HUD, SBA, and VA, and all other Federal agencies as of December 31, 1979.

<u>Type of system</u>	<u>No. of systems at</u>			
	<u>HUD</u>	<u>SBA</u>	<u>VA</u>	<u>other agencies (note a)</u>
Administrative	21	44	21	3,841
Domestic assistance program	18	28	28	495
Other program systems	<u>11</u>	<u>13</u>	<u>4</u>	<u>b/1,371</u>
Total	<u>50</u>	<u>85</u>	<u>53</u>	<u>5,707</u>

a/Includes 96 departments and agencies.

b/Includes 52 systems that were not classified by agencies.

An analysis of HUD, SBA, and VA systems of records revealed that some of the same systems (e.g., legal action files) were maintained at both agency headquarters and field offices, while other systems (e.g., personnel records) were maintained only at agency headquarters or at field offices. We were told that the systems maintained by the field offices were necessary to allow constituents served in those areas easier accessibility.

Further analysis of the three agencies' systems showed that 46 percent of all systems were located in the field, 32 percent were at both agency headquarters and in the field, and 22 percent were maintained at agency headquarters.

HUD'S ACCOUNTING RECORDS SYSTEM

In examining specific systems of records, we did not evaluate the reasonableness of the systems' organization and contents. We did note, however, a difference in the organization of HUD's accounting records system compared with similar systems at the other agencies reviewed. HUD had one accounting records system consisting of 29 different categories of records (e.g., salaries, loans, disbursements), while SBA and VA had 12 and 4 separate records systems, respectively, covering those same categories. The table on page 3 is a breakdown of the categories of records included in HUD's system entitled "HUD/DEPT-2 Accounting Records" and a comparison with the number of systems at SBA and VA.

ENCLOSURE

ENCLOSURE

<u>HUD's categories of records</u>	<u>No. of systems</u>	
	<u>SBA</u>	<u>VA</u>
Lease and loan collection register	1	1
Schedules of payments receivable	1	-
Premiums due	-	-
Claims files and fee billing statements	-	1
Escrow and certificates of deposits files	-	-
Cash flow and budget control files	-	-
Earnest money register	-	-
Purchase order log	-	-
Imprest fund	-	-
Area managers' accounting records	1	-
Restitution, maintenance, and market expenses	-	-
Distributive shares records	-	-
Salary	1	1
Savings bonds	1	-
Bills of lading	-	-
Vouchers	1	1
Invoices	-	(a)
Receipts	1	-
Canceled checks	-	-
Mortgagors', builders', and contractors', financial statements, records, and audit reports	1	-
Requests for termination of home mortgage insurance	-	-
Deposit and receipt records	-	-
Detailed accounting reports concerning diversified payments, disbursements, and canceled checks	<u>a/4</u>	-
Repurchase of mortgages	-	-
Adjustments from recoveries, manual adjustments, and defaults	-	-
Acquired home property records	-	-
Sales closing papers	-	-
Statement of accounts	-	-
Tax records	<u>(a)</u>	<u>-</u>
Total	<u>12</u>	<u>4</u>

a/Category covered under one of the systems already accounted for.

Excluding the accounting records system, HUD has organized its records in the same manner as the other two agencies.

FEWER SYSTEMS REPORTED BY HUD

HUD reported a total of 50 systems of records as of December 31, 1979, 7 less than what was reported in its first published listing as of December 31, 1975. HUD reported fewer systems of records than any other cabinet level department. According to HUD officials, the small number of systems reported reflects the types of records maintained on specific individuals. Unlike many of the other agencies, a large number of the programs operated by HUD deal primarily with organizations, such as lending institutions, corporations, and State and local governments. In those instances, records on individuals are maintained by the organizations, thus limiting the number of systems of records maintained by HUD.

In its initial effort to assure that all systems were identified and the required notices published, HUD reported 29 recordkeeping systems which it subsequently determined either were not subject to the Privacy Act or had records that were covered by another HUD system. Those systems accounted for 51 percent of its initial listing.

Specifically, 19, or 66 percent, of the systems were not subject to the act and, subsequently, were deleted because they did not contain information on individuals. Records contained in those systems consisted of information about HUD's insured projects, corporations, businesses, and firms. Eight, or 28 percent, of the systems were deleted because they contained records that were covered by another system. The remaining two systems were transferred to the Civil Service Commission (now the Office of Personnel Management) for inclusion in a Government-wide system of records. Notices of those actions were published in the Federal Register during September 1977 and August 1978.

According to the First Annual Report of the President for calendar year 1975 (vol. I), "Federal Personal Data Systems Subject to the Privacy Act of 1974," actions taken by HUD in its initial effort were the same as those taken by other agencies. Additionally, because of the changing nature of Federal activity (the establishment and elimination of programs and organizational/procedural changes), systems of records may be created or eliminated as agencies continue to review the need

for each of their systems. Like other agencies, HUD, through its continuing review process, has identified systems which it has eliminated, as well as new systems which it has created, as deemed necessary.

CHANGES IN AGENCIES' SYSTEMS OF RECORDS

As of December 31, 1979, 99 agencies reported maintaining 5,895 systems of records, a net increase of 14 agencies and a net decrease of 828 systems since 1975. Fifty percent (2,947) of the systems were maintained by three agencies--the Department of Defense (1,903); the Department of the Treasury (547); and the Department of Health, Education, and Welfare (497). Further, these three agencies accounted for over 95 percent of the total reductions. The table on page 6 summarizes the changes in agencies' systems of records from 1975 through 1979.

Summary of Systems of Records by Agency (1975 - 1979)

Agency	As of December 31					Net difference between 1975 and 1979
	1975	1976	1977	1978	1979	
Department of Defense	2,141	2,219	2,150	1,925	1,903	-238
Department of the Treasury	932	910	571	515	547	-385
Department of Health, Education, and Welfare	831	693	714	517	497	-334
Department of the Interior	278	274	261	254	254	-24
Department of Transportation	263	263	265	253	248	-15
Department of Agriculture	215	235	234	235	236	21
Department of Justice	175	175	184	180	186	11
Department of Commerce	95	95	99	98	95	0
Department of Labor	73	97	100	118	116	43
Department of Housing and Urban Development	57	58	53	43	50	-7
Department of State	48	48	48	50	51	3
Department of Energy (note a)	-	-	112	94	70	70
Canal Zone Government/Panama Canal Co.	134	133	133	133	134	0
Securities and Exchange Commission	99	99	99	100	100	1
General Services Administration	99	91	77	65	57	-42
Small Business Administration	80	80	85	85	85	5
Postal Service	70	71	74	75	75	5
Federal Communications Commission	68	69	70	71	71	3
ACTION	62	61	61	27	27	-35
Veterans Administration	57	52	52	52	53	-4
Central Intelligence Agency	57	57	58	58	63	6
Other agencies	889	973	924	933	977	88
Total	<u>6,723</u>	<u>6,753</u>	<u>6,424</u>	<u>5,881</u>	<u>5,895</u>	<u>-828</u>

a/The Department of Energy, created during 1977, adopted systems of records from the Energy Research and Development Administration, Federal Energy Administration, Federal Power Commission, and parts of the Department of the Interior.