

18-10-03

SYSTEM NAME:

Non-Federal Auditor Referral, Suspension, and  
Debarment File.

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

Audit Services, Office of Inspector General, U.S.  
Department of Education, 330 C Street, SW., Room 4200,  
Switzer Building, Washington, DC 20202-1510.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Auditors and audit firms not employed by the Federal  
government whom the Office of Inspector General has  
referred to State boards of accountancy or professional  
associations and/or suspended or debarred for violations of  
generally accepted auditing standards or generally accepted  
government auditing standards in connection with audits of  
federally assisted education programs.

CATEGORIES OF RECORDS IN THE SYSTEM:

Information relating to the audit activity which led  
to the referral, suspension or debarment action, including  
the referral, suspension or debarment documents, and  
records on the substance, status or outcome of each

referral, suspension and debarment, including voluntary exclusion settlement agreements.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The Inspector General Act of 1978, as amended (5 U.S.C. Appendix 3, 4(a)(1) and 4(b)(1)(C)) and 34 CFR part 85, the Nonprocurement Debarment and Suspension Regulations.

PURPOSE(S):

This system of records is maintained for the general purpose of enabling the OIG to fulfill the requirements of section (4)(b)(1)(C) of the Inspector General Act of 1978, 5 U.S.C. Appendix 3, 4(b)(1)(C) which requires Federal Inspectors General, including the Department Inspector General, to take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General. Records are used to document OIG actions with regard to open and closed referrals, suspensions or debarments by the OIG; to produce statistical data; and to share information with Federal, State and professional organizations which are also responsible for maintaining or monitoring adherence to audit standards.

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

The Department of Education (the Department) may disclose information contained in a record in this system of records under the routine uses listed in this system of records without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. These disclosures may be made on a case-by-case basis or, if the Department has complied with the computer matching requirements of the Privacy Act, under a computer matching agreement.

(1) Audit oversight and referral disclosure. A record from this system of records may be disclosed to other Federal agencies, the General Accounting Office, State agencies responsible for audit oversight, State Boards of accountancy, the American Institute of Certified Public Accountants, and other professional accountancy associations, to make and support referrals regarding inadequate audits performed by independent auditors, to track the results of proceedings against those auditors, and to inform these entities if other referrals have been made.

(2) Suspension and debarment disclosure. A record from this system of records may be disclosed to other Federal agencies, the General Accounting Office, State agencies responsible for audit oversight, State Boards of

accountancy, the American Institute of Certified Public Accountants, and other professional accountancy associations, to inform these entities of the substance, status or outcome of suspension and debarment proceedings, including settlement, and as authorized under section 3 of Executive Order 12549 for purposes of suspending and debarring an auditor pursuant to 34 CFR part 85.

(3) Disclosure to auditee. A record from this system of records may be disclosed to the auditee which was the subject of audit oversight by the Department OIG.

(4) Engagement disclosure. A record from this system of records may be disclosed to a contractor or grantee of the Department or other participant in Department programs which may be contemplating engaging the firm or individual named in the record to perform auditing or related services pertaining to federally assisted education programs, unless the entities to which the Assistant Inspector General for Audit Services has made a referral under routine use number 1, decline to take action against the auditor or act to exonerate the auditor.

(5) Disclosure to Public and Private Entities To Obtain Information. A record from this system of records may be disclosed to public or private sources to the extent necessary to obtain information from those sources relevant

to an OIG audit oversight activity, referral action, suspension and debarment action, investigation, audit, inspection, or other activity.

(6) Enforcement disclosure. In the event that any records from this system of records, either alone or in combination with any other information, indicate a violation or potential violation of criminal or civil law or regulation, the Department may disclose information from this system of records as a routine use to any Federal, State, local, or foreign agency or other public authority responsible for enforcing, investigating, or prosecuting violations of administrative, civil, or criminal law or regulation if that information is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.

(7) Disclosure to the Department of Justice. A record may be disclosed from this system of records to the Department of Justice to the extent necessary for obtaining its advice on any matter relevant to an OIG investigation, audit, inspection, or other inquiry related to the responsibilities of the OIG.

(8) Hiring/contracting disclosure.

(a) The Department. A record from this system of records may be disclosed as a routine use to a Federal,

State, or local agency maintaining civil, criminal or other relevant enforcement records or other pertinent records, such as current licenses, if necessary to obtain a record relevant to an agency decision concerning the hiring or retention of an employee to perform audit services, the issuance of a security clearance, or the letting or continuation of a contract to perform audit services by the Department or by any recipient of Federal funds administered by the Department or its agent.

(b) Other Federal agencies. A record from this system of records may be disclosed to a Federal agency, in connection with the hiring or retention of an employee to perform audit services, the issuance of a security clearance, the letting or continuation of a contract to perform audit services by the agency or by any recipient of Federal funds, or the issuance of a license, grant, or other benefit by the recipient agency.

(9) Litigation disclosure.

(a) Disclosure to the Department of Justice. A record from this system of records may be disclosed to the Department of Justice if the record is relevant and necessary to litigation. Such a disclosure may be made in the event that one of the parties listed below is involved in the litigation, or has an interest in the litigation:

(i) The Department or any component of the Department;

(ii) Any employee of the Department in his or her official capacity;

(iii) Any Department employee in his or her individual capacity where the Justice Department has agreed to represent such employee; or

(iv) The United States where the Department determines that the litigation is likely to affect the Department or any of its components.

(b) Other litigation disclosure. A record from this system of records may be disclosed to a court or adjudicative body, to a party, counsel or witnesses, in the course of the litigation or related settlement proceedings. Such disclosure may be made in the event that a person or entity listed below is a party to the litigation, or has an interest in the litigation:

(i) The Department or any component of the Department;

(ii) Any employee of the agency in his or her official capacity;

(iii) Any employee of the Department in his or her individual capacity where the agency has agreed to represent the employee; or

(iv) The United States, where the agency determines that litigation is likely to affect the agency or any of its components.

(9) Congressional member disclosure. The Department may disclose records to a member of Congress from the record of an individual in response to an inquiry from the member made at the written request of that individual. The member's right to the information is no greater than the right of the individual who requested it.

(10) Employee grievance, complaint or conduct disclosure. The Department may disclose a record in this system of records to another agency of the Federal government if the record is relevant to one of the following proceedings regarding a present or former employee of the Department: Complaint, grievance, discipline or competence determination proceedings. The disclosure may only be made during the course of the proceeding.

(11) Contract disclosure. If the Department contracts with an entity for the purposes of performing any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records to those employees. Before entering into such a contract, the Department shall require the contractor to



maintain Privacy Act safeguards as required under 5 U.S.C. 552a(m) with respect to the records in the system.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Not applicable to this system of records.

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

STORAGE:

Records are maintained in file folders and/or microcomputer disk.

RETRIEVABILITY:

Records are indexed and retrieved by name of individuals, firms or other professional associations.

SAFEGUARDS:

Records are secured in file cabinets and are locked in offices after office hours.

RETENTION AND DISPOSAL:

Records are maintained and destroyed in accordance with the Department's Records Disposition Schedule (ED/RDS, Part 16). A copy of the ED/RDS can be obtained from the system manager at the address below.

SYSTEM MANAGER(S) AND ADDRESSES:

Assistant Inspector General for Audit Services, Office of Inspector General, U.S. Department of Education, 400

Maryland Avenue, SW., Switzer Building, Washington, DC  
20202-1510.

NOTIFICATION PROCEDURE:

Individuals wishing to know if they are named in this system of records must submit a written request to the system manager. Requests must reasonably specify the system of records containing the information and the particular record contents being sought. For a complete statement of notification procedures, see the regulations, 34 CFR 5b.5.

RECORD ACCESS PROCEDURES:

Individuals wishing to gain access to a record in this system of records must submit a written request to the system manager. Requests must reasonably specify the system of records containing the information, the particular record contents being sought, and the reason for the request. For a complete statement of notification procedures, see the regulations, 34 CFR 5b.5.

CONTESTING RECORD PROCEDURES:

Individuals desiring to contest information contained in a record in this system of records should contact the system manager. Requests must be made either in writing or in person, and must specify: (1) The system of records from which the record is to be retrieved; (2) the particular record which the requestor is seeking to amend; (3) whether

a deletion, an addition, or a substitution is being sought;  
and (4) the reason(s) for the requested change(s).

Requestors may wish to include in their requests any appropriate documentation supporting the requested change(s). For a complete statement of contesting record procedures, see the regulations, 34 CFR 5b.7.

RECORD SOURCE CATEGORIES:

Information contained in the system will be obtained principally from OIG employees. Information regarding the status of referral actions will be obtained from the appropriate State licensing board and professional organizations to which the referral was made.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.