



Privacy Impact Assessment of Conflicts of Interest Application

Program or Application Name:

Conflicts of Interest Application

System Owner:

Board of Governors of the Federal Reserve System, Division of Supervision and Regulation

Contact Information:

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Description of the IT system

The Conflicts of Interest Application (COFI) is a web-based application used to track conflicts of interest with financial institutions for staff of the Board of Governors of the Federal Reserve System (Board) and the Federal Reserve Banks, including employees and contractors (collectively referred to as "Federal Reserve staff") who participate in supervision matters. COFI is also used for managing the issuance of Federal Reserve examiner credentials for Federal Reserve staff who participate in examinations or inspections of financial institutions. Lastly, COFI maintains information regarding certain post-employment restrictions for certain Federal Reserve Bank examiners who are considered "senior examiners." The primary users of COFI are Reserve Bank

Supervision and Legal staff, staff in the Board's Divisions of Supervision and Regulation and Consumer and Community Affairs, and Ethics staff in the Board's Legal Division.

1. The information concerning individuals that is being collected and/or maintained:

A. Basic Personnel Information

The information maintained in COFI regarding Federal Reserve staff who participate in supervision matters includes the following basic personnel information:

- a. Name;
- b. Job Title;
- c. Department/Office;
- d. Work Phone Number;
- e. Work Email Address;
- f. Employee/Contractor ID Number;
- g. Network ID;
- h. Supervisor's Name/Employee ID Number; and
- i. Citizenship Status.

B. Form D Information

Federal Reserve staff who participate in supervision matters are required to disclose conflicts of interest by filing either the Form D "Disclosure Form for Employees Involved with Supervision and Regulation" (for Reserve Bank staff) or the "Conflicts of Interest Questionnaire" (for Board staff) (both forms collectively referred to as "Form D"). The Form D disclosure information, which is stored in COFI, includes the following information:

- a. Indebtedness (including existing loans and borrowing relationships of the employee/contractor, his/her spouse, domestic partner, dependent children, or related business organization);
- b. Assets (including debt or equity interests of the employee/contractor, his/her spouse, domestic partner, or dependent children in financial institutions or their affiliates);
- c. Outside and prior employment held within the last 12 months, regardless of compensation;
- d. Immediate family members of the employee/contractor who are officers, directors, or employees of certain entities, including financial institutions and technology service providers; and
- e. Certain gifts received by the employee/contractor, his/her spouse, domestic partner, or dependent children, including gifts from a supervised institution; and

- f. Other relationships or circumstances identified by the employee/contractor as actual or apparent conflicts of interest or violations of law or Federal Reserve policy.

C. Examiner Credential Information

In addition to the Form D elements listed above, COFI maintains certain information with respect to the examiner credentialing process. Typically, a standard examiner credential is issued to Federal Reserve Bank employees whose primary responsibility is to participate regularly in examinations or inspections of institutions for which the Federal Reserve is the primary supervisor. The Board also issues temporary examiner credentials to Federal Reserve staff who do not have a standard examiner credential and who are assigned to participate on a specific examination or inspection.

In order to obtain a credential, Federal Reserve credentialing staff submit a credential request to the Board. In connection with the processing of standard examiner credential requests, COFI maintains the following personal information, which is obtained from the individual's job application or resume, which the individual is required to provide:

- a. Home Phone Number;
- b. Home Address;
- c. Education History;
- d. Work History;
- e. Certifications and/or Affiliations;
- f. Professional Memberships;
- g. Federal Reserve Examiner Commissioning Program training and experience; and
- h. Evidence of commissioned status from other federal and state regulators.

Additionally, when standard examiner credentials are canceled, administrators will record in COFI the reason for the cancellation, which may include the examiner's retirement, resignation, termination, long-term disability, death, transfer to another Federal Reserve district, or reassignment out of the Supervision function.

In connection with the processing of a temporary examiner credential request, COFI maintains the following additional financial disclosure information:

- a. Existing borrowing relationships of the employee/contractor with the specific examined financial institution covered by the temporary credential (including relationships of the employee's or contractor's spouse, domestic partner or dependent children);
- b. Financial interests in the examined financial institution of the employee/contractor, his/her spouse, domestic partner, or dependent children;
- c. Immediate family members currently employed by the examined financial institution; and

- d. Other potential conflicts of interest with respect to the examined financial institution.

D. Post-Employment Restriction Information

COFI also maintains information regarding the post-employment restrictions that apply to Federal Reserve Bank examiners who qualify as “senior examiners” for a particular depository institution or depository institution holding company.¹ Specifically, section 6303(b) of the Intelligence Reform and Terrorism Prevention Act of 2004 prohibits an examiner who has served as senior examiner for a depository institution or depository institution holding company for two or more months during the examiner’s final twelve months of employment with a Reserve Bank from knowingly accepting compensation as an employee, officer, director, or consultant from that depository institution or depository institution holding company, or from certain related entities, for one year after the examiner leaves the employment of the Federal Reserve. COFI maintains a list of all Federal Reserve examiners identified as senior examiners. For each senior examiner, the information includes: the financial institution for which the examiner is considered a senior examiner; the duration of the examiner’s service as a senior examiner; and the expiration date of the senior examiner post-employment restriction.

2. Source(s) of each category of information listed in item 1.

Basic Personnel Information. When a supervision staff member is initially added into the COFI system, the individual’s basic personnel information from PeopleSoft is populated into the COFI database via an automated data load.

Form D Information. The individual filer submits the Form D information in COFI or provides the information to an administrative staff member who then enters it into COFI.

Examiner Credential Information. For credentialing, the individual examiner provides his or her personal information to an administrative staff member who enters the information into COFI.

Post-Employment Restriction Information. Administrative staff also enter the senior examiner post-employment restrictions identified by Reserve Bank staff into COFI.

¹ See [SR letter 16-16, “Special Post-Employment Restriction for Senior Examiners.”](#) for the criteria an individual officer or employee must meet to be considered a “senior examiner” for a particular depository institution or depository institution holding company.

3. Purpose for which the information is being collected.

Basic Personnel Information. The basic personnel information is housed in COFI to facilitate the entry of the Form D information, examiner credential information, and post-employment restriction information.

Form D Information. The Form D information is used by Federal Reserve staff to ensure that, consistent with federal law and Federal Reserve System policies, the supervisory assignments and examinations of financial institutions and affiliates that Federal Reserve personnel undertake do not present a conflict of interest.

Examiner Credential Information. The examiner credential information is recorded in COFI to facilitate the Board's credentialing of examiners. Pursuant to Section 9 of the Federal Reserve Act (12 U.S.C. § 325), Federal Reserve examiners must be selected or approved by the Board, and pursuant to Federal Reserve System policy, only an employee or contractor holding a credential may examine or inspect an institution. Board staff use COFI to review and approve credential requests submitted by Federal Reserve staff.

Post-Employment Restriction Information. The Federal Reserve Banks maintain the post-employment restriction information for Reserve Bank examiners who qualify as senior examiners to ensure the restrictions are properly implemented.

4. Who will have access to the information?

Within the Federal Reserve System, the information may be accessed as follows:

Basic Personnel Information. Authorized Federal Reserve staff granted specific roles in the COFI application may access the basic personnel information.

Form D Information. The individual filer, his/her management, certain staff with responsibility for monitoring conflicts of interest and for allocating staff to assignments, and system administrators with responsibility for supporting the COFI system may access the Form D information.

Examiner Credential Information. Administrative staff of the Board's Divisions of Supervision and Regulation and Consumer and Community Affairs, and if applicable, administrative staff at the individual's employing Reserve Bank may access information provided by an individual for purposes of examiner credential issuance.

Post-Employment Restriction Information. Administrative staff at the individual's employing Reserve Bank and staff of the Board's Divisions of Supervision and

Regulation and Consumer and Community Affairs may access the post-employment restriction information.

With respect to disclosures outside of the Federal Reserve System, the information in COFI may be disclosed for the purposes set forth in the Privacy Act System of Records Notice entitled BGFRS-13 “FRB-Federal Reserve System Bank Supervision Staff Qualifications.”

5. Whether the individuals to whom the information pertains will have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses).

Basic Personnel Information. As explained above, the basic personnel information consists of data the individual has already provided to the Board or Reserve Bank for personnel purposes.

Form D and Examiner Credential Information. Generally, the submission of the Form D information is a prerequisite to participating in supervision matters.

Similarly, submission of the examiner credential information is required to obtain an examiner credential, which is a prerequisite to participating in an examination of a Federal Reserve-supervised institution or affiliate. Accordingly, should the individual decline to provide the Form D and examiner credential information, the individual may not be eligible to work on supervision matters or serve as a Federal Reserve examiner. Because the information is maintained to enable the Federal Reserve to comply with applicable law and policy, the individuals to whom the information pertains are not provided an opportunity to consent to particular uses of the information.

(*Note:* A senior examiner’s post-employment restriction is not information that is provided by the individual examiner.)

6. Procedure(s) for ensuring that the information maintained is accurate, complete, and up-to-date.

Basic Personnel Information. The basic personnel information is refreshed daily from the PeopleSoft data feed.

Form D Information. Staff are required to update their Form D disclosure information on an annual basis. Staff attest to the accuracy of the information provided in the Form D and the Form D is reviewed by management. During the review process or in the context of a review for a specific assignment, management may request that the individual staff member update his/her information as needed to capture the conflicts that must be disclosed. Additionally, staff are expected to report changes to their Form D disclosure information on an ongoing basis throughout the year.

Examiner Credential Information. With respect to the personal information maintained for the examiner credentialing process, the Federal Reserve relies on the individual staff

member to submit an accurate, complete, and up-to-date job application and/or resume. The information may also be updated as part of a reissuance of an examiner credential.

Post-Employment Restriction Information. The post-employment restriction information for Federal Reserve Bank senior examiners is updated as needed by administrative staff.

7. The length of time the information will be retained, and how it will be purged.

The information in COFI is under review for records retention purposes and therefore is currently retained indefinitely.

8. The administrative and technological procedures used to secure the information against unauthorized access.

Access to COFI is restricted to authorized Federal Reserve staff on a need-to-know basis. Authentication and authorization are managed via user accounts and user groups within the Federal Reserve’s implementation of Microsoft Active Directory. Authorization is role-based and is managed via Active Directory groups that are mapped to functions within COFI. Each Reserve Bank and the Board maintains procedures for granting access to COFI. Access lists and associated security procedures maintained by COFI support staff are reviewed annually as part of the Board Information Security Program.

Reserve Bank central IT staff scan the technical environment for unauthorized access. The software development process includes steps to scan the software for and remediate potential security vulnerabilities prior to deploying updated software for use. All screens and paper reports are appropriately labeled to assure proper handling by application users.

9. Whether a new System of Records under the Privacy Act will be created. (If the information is retrieved by name, unique number, or other identifier assigned to an individual, then a Privacy Act System of Records may need to be created.)

COFI is covered by an existing Privacy Act System of Records Notice: BGFRS-13 “FRB - Federal Reserve System Bank Supervision Staff Qualifications.”

Reviewed:

/ signed /

10/31/2017

Ray Romero
Senior Agency Official for Privacy

Date

/ signed /

10/31/2017

Sharon Mowry
Chief Information Officer

Date