



DEPARTMENT OF THE TREASURY

31 CFR Part 1

Proposed Rule for Privacy Act Exemptions

AGENCY: Departmental Offices, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (Privacy Act), the Department of the Treasury (Treasury) gives notice of a proposed exemption for a new system of records entitled “Department of the Treasury, Treasury .032 — Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records” from certain provisions of the Privacy Act. This system of records is being established to support the receipt, maintenance, review, triage, and referral of tips, complaints, allegations, leads, supporting information, and related correspondence concerning suspected waste, fraud, abuse, improper payments, misuse of Federal funds, or other misconduct affecting Federal programs. The exemption is intended to protect investigatory material compiled for law enforcement purposes.

DATES: Written comments must be received by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <https://www.regulations.gov>, docket number NPRM - TREAS-DO-2026-0464. Follow the instructions for submitting comments. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment and ensures timely receipt.

• Mail: U.S. Department of the Treasury, Attention: Ryan Law, Deputy Assistant Secretary for Privacy, Transparency, and Records, 1500 Suite #8100, JBAB, 250 Murray Lane SW, BLDG 410/Door 123, Washington, DC 20222.

Treasury encourages comments to be submitted via <https://www.regulations.gov>. All comments submitted, including attachments and other supporting material, will be made public, including any personally identifiable or confidential business information that is included in the comment. Therefore, commenters should submit only information that they wish to make publicly available. Commenters who wish to remain anonymous should not include identifying information in their comments.

FOR FURTHER INFORMATION CONTACT: For general questions and questions regarding privacy issues, please contact: Ryan Law, Deputy Assistant Secretary for Privacy, Transparency, and Records, Department of the Treasury, 1500 Suite #8100, JBAB, 250 Murray Lane SW, BLDG 410/Door 123, Washington, DC 20222; telephone: (202) 622-5710.

SUPPLEMENTARY INFORMATION:

Background

Treasury is establishing the “Department of the Treasury, Treasury .032 — Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records” system of records to support the receipt and appropriate referral of information from the public via www.fraud.gov regarding suspected waste, fraud, abuse, improper payments, misuse of Federal funds, or other misconduct affecting Federal programs.

Executive Order 14249, “Protecting America’s Bank Account Against Fraud, Waste, and Abuse,” states that it is the policy of the United States to defend against financial fraud and improper payments and directs Treasury-related activity to support fraud prevention and payment integrity. Executive Order 14395, “Establishing the Task Force To Eliminate Fraud,”

directs a comprehensive national strategy to stop fraud, waste, and abuse in Federal benefit programs and includes Treasury, the Department of Justice, inspectors general, and other agencies in coordinated anti-fraud work.

Treasury intends to receive and maintain tips, complaints, allegations, referrals, supporting information, and related correspondence submitted by members of the public, Federal agencies, law enforcement entities, contractors, and grant recipients concerning suspected fraud, waste, abuse, improper payments, misuse of Federal funds, and related misconduct affecting Federal programs. Treasury will review, assess, validate, categorize, de-duplicate, triage, and refer such information to appropriate Federal agencies, Offices of Inspector General, law enforcement agencies, or other authorized entities in support of fraud detection, investigative, enforcement, and recovery activities. Treasury's review and referral activities are intended to facilitate the coordination and referral of matters that may warrant further review, investigation, enforcement action, or recovery efforts by authorized governmental entities.

To the extent that records maintained within this system constitute investigatory material compiled for law-enforcement purposes, including information supporting investigative, enforcement, and fraud-detection activities conducted by authorized agencies, such records may be exempt from certain provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2).

In a notice published elsewhere in the Federal Register, Treasury is proposing to establish a system of records for information collected and maintained in connection with Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records.

Privacy Act

Treasury is hereby giving notice of a proposed rule to exempt the Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records system from certain provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2) and the authority vested in the Secretary of the Treasury by 31 CFR 1.23(c).

Under 5 U.S.C. 552a(k)(2), the head of a Federal agency may promulgate rules to exempt a system of records from certain provisions of 5 U.S.C. 552a if the system of records contains investigatory material compiled for law enforcement purposes that are not within the scope of subsection (j)(2) of the Privacy Act (which applies to agencies and components thereof that perform as their principal function any activity pertaining to the enforcement of criminal laws).

To the extent that this system of records contains investigatory materials compiled for law enforcement purposes protected by 5 U.S.C. 552a(k)(2), Treasury proposes to exempt the following system of records from various provisions of the Privacy Act:

Treasury .032 — Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records.

Under 5 U.S.C. 552a(k)(2), Treasury proposes that certain records in the above-referenced system of records be exempt from 5 U.S.C. 552a(c)(3), (d), (e)(1), (e)(4)(G), (H), and (I), and (f) of the Privacy Act. See 31 CFR 1.36.

The following are the reasons why investigatory materials contained in the above-referenced system of records may be exempted from various provisions of the Privacy Act pursuant to 5 U.S.C. 552a(k)(2).

(1) 5 U.S.C. 552a(c)(3) requires an agency to make any accounting of disclosures of records required by 5 U.S.C. 552a(c)(1) available to the individual named in the record upon his or her request. Exemption from this requirement is appropriate because release of the accounting of disclosures could alert individuals that they are the subject of a tip, complaint, allegation, referral, inquiry, or law enforcement-related review or analysis. Disclosure of the accounting could reveal the existence, scope, nature, or status of an inquiry or referral and could impede law enforcement or program-integrity efforts by allowing individuals to evade detection, influence witnesses, alter conduct, destroy evidence, fabricate information, or otherwise interfere with lawful investigative, enforcement, or recovery activities.

(2) 5 U.S.C. 552a(d) grants individuals access to records containing information about them and permits them to request amendment of records pertaining to them. Exemption from these requirements is appropriate because access to or amendment of records contained in this system could reveal the existence, nature, scope, or status of investigatory or law enforcement-related materials and could interfere with ongoing or prospective investigations, activities, recovery efforts, or other law enforcement purposes. Providing access or permitting amendment could enable subjects of tips or investigations to avoid detection, intimidate or influence witnesses, destroy evidence, conceal assets, coordinate testimony, or otherwise impede lawful activities. In addition, investigatory material may include information obtained from third parties or other agencies, the disclosure of which could compromise confidentiality, investigative techniques, or sensitive law enforcement information.

(3) 5 U.S.C. 552a(e)(1) requires an agency to maintain only such information about an individual as is relevant and necessary to accomplish a purpose required by statute or executive order.

Exemption from this requirement is appropriate because, during the receipt, assessment, triage, referral, and review of tips and allegations, Treasury may obtain information whose relevance or accuracy is not immediately apparent. In the interests of effective fraud prevention, payment integrity, law enforcement coordination and program-integrity activities, it is appropriate to retain information that may aid in identifying patterns, relationships, schemes, trends, or other indicators relevant to suspected waste, fraud, abuse, improper payments, or related misconduct.

(4) 5 U.S.C. 552a(e)(4)(G), (H), and (I) and 5 U.S.C. 552a(f) require an agency to publish procedures whereby individuals can determine whether a system contains records pertaining to them, gain access to such records, contest their contents, and identify categories of sources of records in the system. Exemption from these requirements is appropriate because this system is exempt from the access and amendment provisions of subsection (d). Publication of such procedures could undermine the purpose of the exemption by revealing investigatory interests,

law enforcement-sensitive information, or the existence of ongoing referral or investigatory activities.

Any records from another Treasury system of records or another Executive Branch agency's system of records for which an exemption is claimed under 5 U.S.C. 552a(j) or (k) that may also be included in this system of records retain the same exempt status as such records have in the system for which the exemption is claimed.

Regulatory Analysis

This proposed rule is not a "significant regulatory action" under Executive Order 12866.

Pursuant to the requirements of the Regulatory Flexibility Act (RFA), 5 U.S.C. 601 et seq., it is hereby certified that this proposed rule will not have a significant economic impact on a substantial number of small entities. This proposed rule, issued pursuant to 5 U.S.C. 552a(k)(2), is to exempt certain information maintained by Treasury in the above-referenced system of records from certain provisions of the Privacy Act. Small entities, as defined in the RFA, are not provided rights under the Privacy Act and are outside the scope of this regulation.

List of Subjects in 31 CFR Part 1

- Courts
- Freedom of Information
- Government Employees
- Privacy

For the reasons stated in the preamble, part 1 of title 31 of the Code of Federal Regulations is proposed to be amended as follows:

PART 1—DISCLOSURE OF RECORDS

1. The authority citation for part 1 continues to read as follows:

Authority: 5 U.S.C. 301, 552, 552a, 553; 31 U.S.C. 301, 321; 31 U.S.C. 3717.

2. Amend § 1.36 by adding, in alphanumeric order, an entry for “Treasury .032 — Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records” in table 1 to paragraph (c)(1)(i) to read as follows:

§ 1.36 Systems exempt in whole or in part from provisions of the Privacy Act and this part.

(c) * * *

(1) * * *

(i) * * *

No. Name of system

Treasury .032 Federal Program Waste, Fraud, and Abuse Tip Intake and Referral Records

Ryan Law,

Deputy Assistant Secretary for Privacy, Transparency, and Records.

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