

U.S. Securities and Exchange Commission

**The Tracking and Reporting Examination National Documentation
System (TRENDS)
PRIVACY IMPACT ASSESSMENT (PIA)**



December 10, 2012

Privacy Impact Assessment
TRENDS v.3

General Information

1. Name of Project or System.
The Tracking and Reporting Examination National Documentation System (TRENDS) v. 3
2. Describe the project and its purpose or function in the SEC's IT environment.
TRENDS project provides an Examination platform that will incorporate document management, work paper organization, program reporting, data tracking and analysis, and risk assessment with a workflow component that will serve as a guide for examiners to help identify risks and evaluate controls of Registrants. TRENDS keeps track of all examination data, supports various examination processing stages, examination approval process, communication management, and document management.
3. Requested Operational Date? Trends was initially accredited in 2011. A PIA was not required as the system did not collect, transmit, or process PII. "Trends v3 is anticipated to interface with TCR/HUB and will potentially contain PII. This version is scheduled to become operational 1/11/13. This PIA is being conducted to assess the current privacy vulnerabilities and risks and their implications for Trends v3.
4. System of Records Notice (SORN) number? SEC-55, Information Pertaining or relevant to SEC Registrants and Their Activities.
5. Is this an Exhibit 300 project or system? No Yes
6. What specific legal authorities, arrangements, and/or agreements allow the collection of this information? 15 U.S.C. 78a et seq., 80a-1 et seq., and 80b-1 et seq.

Specific Questions

SECTION I - Data in the System

1. What data about individuals could be collected, generated, or retained?
Although TRENDS does not directly collect information from individuals, documents related to examinations may include individuals bank and brokerage account statements. These documents could include data such as names, addresses, telephone numbers, and brokerage accounts.
2. Does the project/system use or collect the social security number (SSN)? (This includes truncated SSNs)
 No.
 Yes. If yes, provide the function of the SSN and the legal authority to collect.
3. What are the sources of the data?
The primary sources of data come directly from registrants. SEC Master Entity database is the source of Entity information for TRENDS.
4. Why is the data being collected?
The data will be used by staff members to track the status and dispositions of exams.

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5. What technologies will be used to collect the data?
Data is primarily collected electronically through Microsoft Word, Excel, Access, and Adobe PDF files.

SECTION II - Attributes of the Data (use and accuracy)

1. Describe the uses of the data.
Data is used for purposes of conducting and tracking examinations and inspections of registered entities.
2. Does the system analyze data to assist users in identifying previously unknown areas of note, concern or pattern? No Yes If yes, please explain:
3. How will the data collected from individuals or derived by the system be checked for accuracy?
The SEC will rely on the accuracy of the information provided by the registrants.

SECTION III - Sharing Practices

1. Will the data be shared with any internal organizations?
 No Yes If yes, please list organization(s): Data could be shared with various divisions within the Commission if the circumstances of the exam warrant such sharing.
2. Will the data be shared with any external organizations?
 No Yes If yes, please list organizations(s): How is the data transmitted or disclosed to external organization(s)?
3. How is the shared data secured by external recipients?
N/A
4. Does the project/system process or access PII in any other SEC system?
 No
 Yes. If yes, list system(s). TCR

SECTION IV - Notice to Individuals to Decline/Consent Use

1. What privacy notice was provided to the different individuals prior to collection of data?
(Check all that apply)
 Privacy Act Statement System of Records Notice Privacy Impact Assessment
 Web Privacy Policy Notice was not provided to individuals prior to collection
2. Do individuals have the opportunity and/or right to decline to provide data?
 Yes No N/A
Please explain: The data collected is from registrants that are required to provide the data to the SEC under the federal securities laws. The data provided may include documents that contain PII of individuals such as brokerage statements. Notice of the data collected and the routine uses of data are provided to individuals in SORN SEC-55 which is published in the

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federal register. Additionally the SEC may provide registrants and individuals SEC Forms 1661 and 1662 if applicable which describes the purposes and uses of the data collected..

3. Do individuals have the right to consent to particular uses of the data?

Yes No N/A

Please explain: For the same reasons stated above in section IV2.

SECTION V - Access to Data (administrative and technological controls)

1. Has the retention schedule been established by the National Archives and Records Administration (NARA)?

No If no, please explain:

Yes If yes, list retention period: The current retention period required by NARA is 13 years, however, data in TRENDS is meant to be stored indefinitely.

2. Describe the privacy training provided to users, either generally or specifically relevant to the program or system?

The SEC routinely provides basic privacy and security training to all employees, including all users of TRENDS.

3. Has a system security plan been completed for the information system(s) supporting the project?

Yes If yes, please provide date C&A was completed:

No If the project does not trigger the C&A requirement, state that along with an explanation OIT is in the process of developing SSP before the C&A testing of the system around December 17, 2012

4. Is the system exposed to the Internet without going through VPN?

No

Yes If yes, Is secure authentication required? No Yes; and
Is the session encrypted? No Yes

5. Are there regular (ie. periodic, recurring, etc.) PII data extractions from the system?

No

Yes If yes, please explain:

6. Which user group(s) will have access to the system?

All OCIE managers and staff will have role-based access to the system. Additional 'read-only' users from IM and ENF may be added in future

7. How is access to the data by a user determined? The system owner determines all user access to the data.

Are procedures documented? Yes No

8. How are the actual assignments of roles and rules verified.

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Roles for each user are set and defined in the TRENDS database by the system owner. TRENDS application checks user roles in the database and provides proper access and privileges to the user accordingly

9. What auditing measures/controls and technical safeguards are in place to prevent misuse (e.g., unauthorized browsing) of data? TRENDS has multilevel access control and security checks for each user. First, the user must have an AD account to access the SEC network; second, the user must have a record in the SEC personnel table as a current employee; third, the user must request access to TRENDS and approval by the system owner thru ITSM and finally the system owner sets up the role for each user before user can get access. As for auditing, TRENDS has audit controls at the database level, whereby every data transaction (create, update and delete) is permanently recorded in audit tables and we can generate a report any time to identify who made changes to what and when.

SECTION VI - Privacy Analysis

Given the amount and type of data being collected, discuss what privacy risks were identified and how they were mitigated.

The likely privacy risk for this data collection is unauthorized or inadvertent disclosure of non-public data. Trends utilizes access controls to protect the data. The PII data is sparsely entered into free-form text sections called "Note" sections of TRENDS. Examiners could upload brokerage statements, for example, into this part of the system, and this kind of unstructured data could include information such as a client's phone or address. But the system does not require this kind of upload and such an upload would be infrequent. Moreover, even if an unauthorized user were to gain access, it would typically take him a good deal of dedicated, targeted searching to discover any PII data because such data would be buried in free-form texts and unstructured, unindexed documents. If in fact an examiner has uploaded any PII data, there is minimal risk than an authorized SEC user could discover and access it, and even then they could only do so without the aid of structured searches.