

SUPPORTING STATEMENT
U.S. Department of Commerce
Office of Inspector General
Applicant for Funding Assistance
OMB Control No. 0605-0001

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

The Department of Commerce's (DOC) CD-346 (copy included) is used to assist program and grants administration officials in determining the responsibility, financial integrity and management principles of principal officers and employees of organizations, firms, or recipients or beneficiaries of grants, loans, or loan guarantee programs of the Economic Development Administration (EDA), the Minority Business Development Agency (MBDA), the International Trade Administration (ITA), the National Oceanic and Atmospheric Administration (NOAA), National Technical Information Service (NTIS) and the National Telecommunications and Information Agency (NTIA). This requirement is derived from 42 USC 3211(12); as well as the responsibilities cited in the Inspector General Act of 1978, Sec. 4(a)(3).

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The DOC, through the organizations cited above and other programs, assists reliable, capable individuals and firms in the pursuit of various business development, business enterprise development and other forms of economic development. The Agency or Bureau Head is normally responsible for deciding which individuals or firms are reliable, capable, and worthy of assistance. The CD-346 is also completed, when required, by grant recipients. Through the name check process, the Office of Inspector General (OIG) collects background information on key individuals associated with proposed financial assistance

(grants, cooperative agreements, loans and loan guarantees) recipient organizations. The name check identifies those principals affiliated with proposed recipient organizations who have been convicted of, or are presently facing, criminal charges or are under investigation for fraud, theft, perjury or other matters which have significant impact on questions of management honesty or financial integrity. The name check process also includes an inquiry into the financial status of an individual and/or organization.

The information collected will not be disseminated thus does not involve OIG's Information Quality Guidelines.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

The information collection form is located on DOC's electronic forms website (<http://www.osec.doc.gov/forms/direct.htm#CD-307>). It is fillable and printable for submission.

4. Describe efforts to identify duplication.

A query is conducted in a database on all name checks submitted prior to establishing a file. If a name check already exists the submitting grants office is notified that there is an existing file and the time that remains on the file before it expires.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Small businesses or small entities are processed in the same manner.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

If the collection is not conducted or conducted less frequently there is a possibility that federal funds may be granted to individuals with criminal backgrounds.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

Not Applicable.

8. Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The Federal Register Notice soliciting public comment was published on September 12, 2006 (Vol. 71, page 53652). No comments were received.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

Not Applicable.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

The necessary precautions will be taken to ensure that information is used only for official purposes and protected as appropriate. This information may also be shared, under certain circumstances, within the government. Any information

deemed immaterial will be destroyed. A Privacy Act Advisory Statement is provided on the reverse side of CD-346.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are requested.

12. Provide an estimate in hours of the burden of the collection of information.

The annual estimate of respondents is 300 and five forms from each respondent.

300 x 2 (1 for organization and 4 employees) equals 1,500 responses.
1,500 x 15 minutes equals 375 burden hours.

The estimated cost for respondents to complete the form is based upon an individual earning an average of \$36 an hour, times 375 hours which equals \$13,500.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12 above).

Not applicable.

14. Provide estimates of annualized cost to the Federal government.

The estimated annual cost to the Federal government using the figures above is based on two employees. An employee with a salary of \$30.04 per hour requiring one-half hour to verify the information on each form and write a memo to the OIG Name Check office; and another with a salary of \$21.54 per hour requiring one hour to enter the information into a database, copy the forms, submit

copies to the FBI, and request Equifaxes, if necessary. (The requirement of an Equifax is needed if the individuals do not work for the organization receiving the grant, if they are a sole propriety organization, self-employed or retired).

$$\$30.04 \times 750 = \$22,530.$$

$$\$21.54 \times 1,500 = \$32,310.$$

Total cost to the government is \$54,840.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

The change in burden hours is due to the processing of fewer forms experienced during the previous approval period.

16. For collections whose results will be published, outline the plans for tabulation and publication.

The results of the collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

Not Applicable.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.