

PART A - JUSTIFICATION

Supporting Statement **OMB 1520-NEW**

Bureau of Engraving and Printing Background Investigation Request Form.

A. Justification

1. Circumstances Making the Collection of Information Necessary.

The Bureau of Engraving and Printing, under the authority of the Secretary of the Treasury, has the responsibility to design and print U.S. currency. See 12 U.S.C. Sections 418-421 and Title 31, U.S.C., including Sections 303, 321, 5114, 5119, and 5120. The Background Information Request Form is completed by applicant companies per BEP Circular 82-00.13 to establish the eligibility of each company and key personnel to gain access to test decks of new designs and production samples of Federal Reserve Notes (FRNs) or other government securities so they can update their products to denominate and/or authenticate genuine currency. The applicant companies are Banknote Equipment Manufacturers (BEMs) and Currency Reader Manufacturers (CRMs). Banknote Equipment Manufacturers (BEMs) are companies that produce any type of equipment that handles banknotes for commercial purposes involving accept/reject decisions for FRNs. Currency Reader Manufacturers (CRMs) are companies that produce a commercially available device or application designed for the purpose of denominating US currency by an individual.

2. Purpose and Use of the Information Collection.

The information is used by BEP's Office of Security to collect and maintain background investigation records on companies and key personnel seeking to work with samples of Federal Reserve Notes or other Government securities as described in Treasury/BEP .021 Investigative Files, 78 Fed. Reg. 22604 (April 26, 2013).

The investigation records are a factor in determining if prospective BEM's and CRM's are eligible to receive new designs and production samples of FRNs or other government securities in order to update their products to denominate and/or authenticate genuine currency.

3. Consideration Given to Information Technology.

The information can be submitted electronically via email or physically using the submitter's preferred delivery option. To reduce burden, the submitter chooses the delivery method according to the submitter's preferences.

This form is not offered electronically on the Internet as it is the second step in the eligibility process per Circular 82-00.13. The form is provided to companies that complete the first step of the eligibility process.

4. Duplication of Information.

The form provides a unique combination of information that support BEP and the applicant company's specific needs. While companies provide some information that may be available from other Treasury sources (ex. IRS), the companies and their personnel do so voluntarily. BEP does not make unsolicited investigations of individuals or companies.

Applicant companies use the form to self-identify key company locations and personnel who will, if approved, handle sample FRNs or other government securities. This choice of personnel and location is up to the applicant company. BEP cannot predict or prescribe relevant personnel and sites for applicant companies. In addition, applicants use the form to self-identify the relevant portion of the company to be investigated which reasonably focuses BEP's investigation efforts.

5. Reducing the Burden on Small Entities.

The collection of information is voluntary and is not anticipated to burden small entities.

6. Consequences of Not Conducting Collection.

If the collection is not conducted, BEP will not be able to conduct background investigations of entities requesting sample FRNs of new currency designs or other government securities. This introduces risk to new currency (pre-issuance) designs and introduces risk of loss of physical and/or logical government property.

The inability of BEP to collect this information could adversely impact machine readiness to accept genuine US currency and to rejection counterfeits in commerce. This adversely impacts BEP's mission to develop and produce United States currency notes, trusted worldwide by decreasing end-user trust in currency notes.

7. Special Circumstances.

There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.6.

8. Consultations with Persons Outside the Agency.

As required by 5 CFR 1320.8 (d), a notice of this proposed data collection appeared in the *Federal Register*, Vol. 86, No. 81, p. 22780-22781 (2 pages) on April 29, 2021. No public comments were received in response to the notice.

9. Payment or Gift.

No payments or gifts are provided to respondents.

10. Confidentiality.

This information collection is subject to all Federal regulations with respect to confidentiality of the information provided in this collection of information.

11. Questions of a Sensitive Nature.

The BEP will not be asking sensitive questions other than identifying information that will support the stated purpose of this data collection:

- Passport numbers
- Social Security Numbers
- Residency information
- Date of birth

BEP is not able to obtain this information from another government agency as a BEM or CRM Company will have to provide this information to uniquely identify company components, locations, and key personnel for background investigation.

BEP will not ask other sensitive questions.

12. Burden of Information Collection.

BEP expects no more than 50 voluntary responses in a year with an estimated time-per-response of 45 minutes.

Type of Intake	Estimated number of respondents	Frequency of Response	Time per Response	Annual Hour Burden	Average Hourly Wage Rate	Estimated annualized cost to respondents
BEP Background Information Request Form	50	1	45 minutes (0.75 hours)	37.5	\$87.05	\$3,264.38

It is expected that administrative and/or operational managers for the applicant companies would prepare and submit the information for these collections. The average wage rate for operation managers is \$60.45 in 2020.

<https://www.bls.gov/oes/current/oes111021.htm>

A benefit multiplier of 1.44 is used to calculate a fully-loaded wage rate of \$87.05 (\$60.45x1.44=\$87.05).

Response is not on a regular yearly schedule. Maximum response coincides with BEP offers of test decks as stated in section A.1. There were nearly 50 applicants per year when BEP offered test decks in 2008, 2010 and 2013. In non-test-deck years, the number of responses drops to single digits.

13. Annual Cost to Respondents.

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Cost to the Federal Government.

The BEP Background Information Request Form was developed in 2012. The cost associated with maintaining this electronic (fillable pdf) form, including employee labor and materials, are negligible and are in conjunction with other program activities associated with facilitating the acceptance of genuine U.S currency through machines in direct support of BEP's mission.

There is no additional cost associated with the systems used to support the collection. BEP's Investigative Files support the purposes listed in the relevant SORN: Treasury/BEP .021 Investigative Files, 78 Fed. Reg. 22604 (April 26, 2013). This system would exist whether this information collection was conducted with BEP Background Information Request Form or not.

Labor and materials for evaluating the collected information are approximately \$24,000 per year under a contract that serves other purposes as well.

15. Reason for Change.

The BEP Background Information Request Form is in use. When BEP Circular 82-00.13 was revised in 2020, BEP realized estimated use had increased creating an opportunity to submit this information collection for OMB approval.

16. Tabulation of Results, Schedule, Analysis Plans.

The BEP will not publish the results of this information collection. The results (i.e. contact information for eligible BEM and CRM companies) may be shared with the Currency Technology Office in the Cash Services division at the Federal Reserve Bank of Richmond.

The purpose of this information collection is to establish the eligibility of each respondent for participation in a government program; not for statistical analysis.

17. Display of OMB Approval Date.

The BEP plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.