

Compliance Analysis for: sections 901-907.docx

****Compliance Aspect: - Secrecy****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of secrecy in Section 902 titled "Secrecy". The section outlines circumstances under which a member of the Board or employee of the Administration may reveal information, and it states that revealing certain types of information without proper authorization could result in imprisonment for up to twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both.

The relevant guidelines excerpt 5 provides a similar statement regarding the secrecy of information about an employer, employee, or person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except for specific purposes or as required by order of a court (41 PNCA § 908).

Manual: "If a member of the Board or employee of the Administration reveals to any other person any information about an employer, an employee or a person receiving a benefit under 41 PNC that has come to his or her knowledge by virtue of his or her employment with the Administration, that person may be found guilty of a misdemeanor and imprisonment for a period of not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both." (Section 902, Source 41 PNC § 773)

Guideline: "A person who knowingly makes a false statement or falsifies any report to or record of the Social Security Administration in an attempt to defraud the Social Security System is guilty of a misdemeanor and is liable to imprisonment for a period not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000) or both." (Guideline Excerpt 7, RPPL 3-64 § 42, modified.)

****Compliance Aspect: - Disclosure of Interests****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Disclosure of Interests" in Section 904. The manual requires each employee to disclose, in writing, all financial interests that may be subject to 41 PNC. This includes direct or indirect ownership interests, sources of income, directorships or officerships, and sources of contributions (Manual: "Each employee shall disclose, in writing..." from Section 904). The definition of "indirect ownership interest" also aligns with the guideline, which refers to any interest owned by the spouse or dependent children of an employee or by an agent on behalf of an employee (Manual: "As used in this section, "indirect ownership interest" means..." from Section 904).

The manual's requirements for disclosure of interests are consistent with Guideline Excerpt 3, which states that no member, employee or agent of the Board, nor any person in the immediate family of such member, employee or agent, shall have any direct or indirect interest in the income, gains or profits on any investment made by the Fund (Guideline: "No member, employee or agent of the Board..." from Guideline Excerpt 3).

Therefore, the Operations Manual Chunk is compliant with the relevant guidelines regarding the disclosure of

interests.

****Compliance Aspect: - Conflict of Interest****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the aspect of "Conflict of Interest" in Section 905. The manual outlines various scenarios where conflicts of interest are prohibited, such as when an employee's official action could have a material financial effect on them or their financial interests (Section 905(a)). It also forbids employees from acquiring a financial interest in any business that may be directly affected by their official actions unless such interest is disclosed (Section 905(b)). Furthermore, the manual prohibits employees from assisting others for compensation or acting in a representative capacity before any government agency in matters related to the Social Security Administration's duties or responsibilities (Section 905(c)).

In terms of reasoning, these provisions align with Guideline Excerpt 1, which states that no person should use their position to influence official actions that could have a material financial effect on them or others. Additionally, the manual's requirement for employees to disclose all financial interests that may be subject to 41 PNC (Section 904) can help prevent conflicts of interest by making such interests transparent.

****Citations:****

- Manual: "No employee may take... where it is reasonably foreseeable that the action could have a material financial effect on that employee, or on any financial interest of that employee, that is different from the effect on the public generally." (Section 905(a))
- Manual: "No employee may acquire a financial interest in any business..." (Section 905(b))
- Manual: "No employee may assist any person... before any national or state government agency..." (Section 905(c))
- Guideline: "for the purpose of determining any question involving any right, benefit or obligation of any person under this chapter." (Guideline Excerpt 1)

****Compliance Aspect: - Mismanagement of Fund****

****COMPLIANT****

The Operations Manual Chunk explicitly addresses the mismanagement of funds by outlining penalties for any person who has a fiduciary relationship with the Fund and is found guilty of mismanagement, whether by malfeasance or breach of fiduciary duties (Section 907). This directly aligns with the Relevant Guideline Excerpt 1, which states that such an individual shall be guilty of a felony and is liable to imprisonment for a period not exceeding fifteen (15) years or a fine of not more than one hundred thousand dollars (\$100,000) or both.

****Explanation & Reasoning:**** The Operations Manual Chunk (Section 907) and the Relevant Guideline Excerpt 1 both discuss penalties for mismanagement of funds by individuals with a fiduciary relationship to the Fund. They share similar language, such as "mismanagement of the Fund" and "liable to imprisonment."

****Verbatim Citations:****

- Manual: "Any person who has a fiduciary relationship with the Fund, including but not limited to any member of the Board and the Administrator, who is found guilty of mismanagement of the Fund, whether by malfeasance, breach of fiduciary duties or other action, shall be guilty of a felony and is liable to imprisonment for a period not

to exceed fifteen (15) years or a fine of not more than one hundred thousand dollars (\$100,000.00) or both." (Section 907)

- Guideline: "Any person who has a fiduciary relationship with the Fund and who is found guilty of mismanagement of the Fund, whether by malfeasance, shall be guilty of a felony and is liable to imprisonment for a period not exceeding fifteen (15) years or a fine of not more than one hundred thousand dollars (\$100,000) or both." (Guideline Excerpt 1)

****Compliance Aspect: - Privacy****

****COMPLIANT****

Explanation & Reasoning: The Operations Manual Chunk explicitly outlines various provisions regarding the confidentiality and disclosure of information related to employers, employees, and beneficiaries under the Social Security Administration (SSA). It specifies that employees must maintain secrecy about such information, except for specific circumstances such as disclosure for functions or purposes under 41 PNC, disclosure as required by court order, or disclosure in cooperation with an investigation. This aligns with Guideline Excerpt 2, which states that an employee may not reveal information about an employer, employee, or person receiving a benefit unless it is for the purposes of this chapter, as required by court order, or authorized by the Board.

Verbatim Citations:

- Manual: "If a member of the Board or employee of the Administration reveals to any other person any information about an employer, an employee or a person receiving a benefit under 41 PNC that has come to his or her knowledge by virtue of his or her employment with the Administration, that person may be found guilty of a misdemeanor and imprisonment for a period of not exceeding twelve (12) months or a fine of not more than two thousand dollars (\$2,000.00), or both." (Section 902, Source 41 PNC § 773)

- Guideline: "Notwithstanding any other provision of this chapter upon the request of the Chief of the Division of Revenue and Taxation, the Administrator shall provide wage record information to the Division of Revenue and Taxation for use in determining compliance with the provisions of the Revenue and Tax Act. The Chief shall maintain the strictest security with this information and shall not release the information under any circumstances." (Guideline Excerpt 1, Source RPPL 3-64 § 54, modified.)

- Guideline: "other person any information about an employer, an employee or a person receiving a benefit under this chapter that has come to his knowledge by virtue of his employment, except:" (Guideline Excerpt 2, Source: 41 PNCA 2025.pdf, Page: 41)