

24.102 General.

(a) The Act requires that when an *agency* contracts for the design, development, or *operation of a system of records* on *individuals* on behalf of the *agency* to accomplish an *agency* function the *agency must* apply the requirements of the Act to the contractor and its employees working on the contract.

(b) An *agency* officer or employee *may* be criminally liable for violations of the Act. When the contract provides for *operation of a system of records* on *individuals*, contractors and their employees are considered employees of the *agency* for purposes of the criminal penalties of the Act.

(c) If a contract specifically provides for the design, development, or *operation of a system of records* on *individuals* on behalf of an *agency* to accomplish an *agency* function, the *agency must* apply the requirements of the Act to the contractor and its employees working on the contract. The system of *records* operated under the contract is deemed to be maintained by the *agency* and is subject to the Act.

(d) *Agencies*, which within the limits of their authorities, fail to require that systems of *records* on *individuals* operated on their behalf under contracts be operated in conformance with the Act *may* be civilly liable to *individuals* injured as a consequence of any subsequent failure to *maintain records* in conformance with the Act.

Parent topic: [Subpart 24.1 - Protection of Individual Privacy](#)