

DEPARTMENT OF VETERANS AFFAIRS
Report on Agency Matching Activities
Calendar Years 2010 and 2011
(Authority: 5 U.S.C. 552a (u) (3) (D))

1. Listing of Data Integrity Board Members:

a. Name, address and telephone number of Board Secretary:

LaShaunné G. David, Director,
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b. Board Members:

John Buck (Sec.)*	Director, Privacy Service (effective February 2010)
Samuel L. Nichols (Sec.)*	Director, Enterprise Records Service (effective February 2009-February 2010)
Roger W. Baker*	Assistant Secretary for Information and Technology (effective May 2009)
Dr. Robert A. Petzel	Under Secretary for Health (effective February 17, 2010)
Dr. Gerald Cross*	Acting Under Secretary for Health (effective May 2009-February 2010)
Allison A. Hickey*	Under Secretary for Benefits (effective June 2011)
Michael Walcoff*	Acting Under Secretary for Benefits (effective January 2010-June 2011)
Patrick Dunne	Acting Under Secretary for Benefits (effective April 2007-January 2010)
George Opfer	Inspector General

c. Explain any changes in Board membership or structure:

*Changes to membership were the results of retirements, appointments or reassignments to other positions.

2. List of Matching Programs: (2010 and 2011)

<u>REPORTING AGENCY</u>	<u>TITLE OF MATCH</u>	<u>MATCHING AGENCY</u>	<u>PURPOSE</u>	<u>PUBLICATION DATE (DD/MM/YYYY)</u>	<u>FEDERAL REGISTER NOTICE</u>
Department of Veterans Affairs 1	Supplemental Security Income (SSI) Verification	Social Security Administration (Match 1008)	To verify eligibility factors of applicants for SSI benefits, adjust or terminate benefits and collect any overpayments.	10/05/2010	75FR26847
1b	Verification of Income of Income Dependent Beneficiaries Receiving Compensation and Pension (C&P) Benefits	Social Security Administration (Match 1030)	To verify and update master records of VA beneficiaries receiving income dependent benefits and adjust VA benefits.	31/08/2009	74FR44911
	Individual Self-Certification of Eligibility for prescription Drug Subsidy	Social Security Administration (Match 1309)	To provide SSA with information to verify an individual's self-certification for prescription drug subsidy assistance.	14/09/2009	75FR7649
4	Disability Compensation Recipients Who Return to Active Duty	Department of Defense	To identify recipients of VA compensation benefits who have returned to active duty and to ensure that benefits are terminated if appropriate.	07/08/2009	74FR151

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7	Income Verification of C&P Recipients	Internal Revenue Service	To verify the amount of unearned income reported to IRS by VA recipients, adjust or terminate benefits and collect overpayments.	19/07/2011	76FR42769
13	Identify Income Dependent Beneficiaries receiving Civil Service Retirement Act (CSRA) or Federal Employees' Retirement System Act (FERSA) Benefits	Office of Personnel Management	Identify beneficiaries receiving VA income dependent benefits and CSRA or FERSA benefits, update VA's master records and adjust VA benefit payments, and collect overpayments.	31/08/2009	74FR44911
16	Credit Alert Interactive Voice Response System (CAIVRS)	Department of Housing and Urban Development	Debt prevention. Prescreen loan applicants for CAIVRS.	30/05/2008 09/03/2011	73FR31138 76FR12984
17	Identify Income Dependent Beneficiaries receiving Railroad Retirement Board (RRB) Payments	Railroad Retirement Board	To verify income information submitted by income dependent beneficiaries and to adjust VA income dependent benefits.	28/09/2010	75FR59800
	Federal Student Application	Department of Education	To verify the status of applicants for financial assistance under Title IV of the Higher Education Act (HEA) of 1965 who claim to be veterans.	31/05/2011	76FR31317

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	Eligibility of Incarcerated VA Beneficiaries to Continue to Receive VA Benefits	Department of Justice Bureau of Prisons	To identify beneficiaries who are receiving VA benefit payments and who are incarcerated for more than 60 days due to a felony or misdemeanor conviction and to suspend or reduce the benefit payment.	23/09/2010	75FR58020
	Verify Income Tax Information	Social Security Administration	To provide VA with data from income tax return information disclosed to SSA.	12/05/2010	75FR26847
	Eligibility for Montgomery GI Bill Benefits VBA	Department of Defense	To verify that individuals meet the conditions of military service and eligibility criteria for payment of benefits determined by VA under two enacted programs.	31/10/2011	74FRE9-789
	Determination of Eligibility for Post 9/11 GI Benefits VBA	Department of Defense, Defense Manpower Data Center	Verify that individuals meet the conditions of military service and eligibility for criteria for payment of benefits determined by the VA under the Post-9/11 Educational Assistance Program	06/02/2010	75FR13147
	Reserve Pay Reconciliation VBA	Department of Defense, Defense Manpower Data Center	To verify eligibility for the Department of Defense (DoD)/ United States Coast Guard (USGC) members of the Reserve forces who receive VA disability compensation or pension to also receive military pay and allowance when performing reserve duty.	07/08/2009	74FR34941

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	Verification of Civilian Health & Medical Program of VA (CHAMPVA) Benefits VHA-HAC	Health and Human Services, Centers for Medicare and Medicaid Services (CMS)	To determine eligibility of beneficiaries for CHAMPVA benefits.	09/03/2010	68FR53784
	Verification of Disability Compensation VBA	Department of Defense, Defense Manpower Data Center (DMDC) (#87)	To verify an individual's continuing eligibility for VA benefits by identifying VA disability benefit recipients	14/12/2011	76FR77811
	Verification of Eligibility OIG	Department of Defense, Defense Manpower Data Center	To verify eligibility and entitlement for VA C&P benefits.	09/07/2007	72FR37198
	Verification of Income of Medical Care Applicants VHA-HEC	Internal Revenue Service	To verify eligibility for and/or correct amount of benefits for individuals applying for, or receiving medical care.	04/11/2008	73FR65714
	Verification of Income of Medical Care Applicants VHA-HEC	Social Security Administration	To verify eligibility for VA health benefits program.	09/09/2010	75FR54966
	State Public Assistance Agencies (SPAAs) VBA	Department of Health and Human Services	To provide the SPAAs with data from VA benefit and compensation file to determine eligibility and insure fair and equitable treatment in the delivery of benefits attributable to funds provided by the Federal Government.	01/06/2009	74FR103

3. Cost/benefit Analysis (CBA):

a. Supplemental Security Income (SSI) Verification with the Social Security Administration (SSA) #1008: During fiscal year 2011, the cost savings of \$5,097,972 were realized from the match with SSA. (This amount is represented on the current CMA.) The prior match cost benefit was \$12,486,696 for 2010. (Information was still being matched with VA's Benefits Delivery Network. The data is being changed to reflect VETSNET data.) VA is the source agency for this match.

b. Verification of Income of Income-Dependent Beneficiaries Receiving Compensation and Pension (C&P) (Master Beneficiary Record Match #1030 with SSA): During fiscal year 2010, the cost savings of \$7,707,862 were realized from this income match with SSA.. The savings was \$6,382,977 for FY 2011. However, it should be noted that there were no files sent to the field in FY 2011.

c. Individual Self-Certification of Eligibility for Prescription Drug Subsidy with SSA: During Fiscal year 2011, the cost savings of \$73,646 were realized from this match with SSA #1309. The prior CMA term cost savings was \$6,954,194 (2010). (Information was still being matched with VA's Benefits Delivery Network. The data is being changed to reflect VETSNET data.) VA is the source agency for this match.

d. Disability Compensation Recipients Who Return to Active Duty with the Department of Defense: For the current CMA term, the cost savings are \$5,576,231 from the match with the Department of Defense, which reflect the 2011 year. The prior term's cost savings were the same (2010). VA is noted on the CMA as the source agency for this match.

e. Income Verification (IVM) of C&P Recipients with the Internal Revenue Service (IRS): The Federal Register Notice was published July 19, 2011 (76FR42769). This match is conducted in conjunction with the SSA Match (#1050). Therefore, cost savings cannot be separately calculated. The projected savings was approximately \$14,581,551 during the lifetime of the CMA based on savings from July 1, 2008 through December 31, 2009, an 18 month period. The savings for 2010 were \$4,245,665. The savings for 2011 was \$10,063,010. With the projected savings involving an 18 month period and the reporting period being on 12 months, the difference cannot be shown. VA is the recipient agency of this match.

f. Identify Income Dependent Beneficiaries receiving Civil Service Retirement Act (CSRA) or Federal Employees' Retirement System Act (FERSA) Benefits with the Office of Personnel Management: During fiscal year 2010, the cost savings of \$309,976 were realized from the match. There was no cost savings for 2011 calculated since there was no COLA for the 2011 calendar year. The amount would be the same for 2011. VA is the recipient agency of this match.

g. Credit Alert Interactive Voice Response System (CAIVRS) with the Department of Housing and Urban Development (HUD): When DMC submitted the matching agreement for approval, it had estimated risk avoidance of \$10.8 million and potential debt recovery of \$232,935 over the 24-month agreement period before calculation of present value. The estimate of debt recovery was based on the presumption that some debtors would pay off their delinquencies to clear their credit for new loans. HUD reports CAIVRS received

1,111,742 inquiries from VA lenders during FY's 2010 and 2011. Only 4,840 (.4 percent) matched records in CAIVRS. Sixty-five percent of the matches were debtors to FHA Single Family and Department of Education. Twenty percent were matches to VA debtors. HUD estimates the potential loss avoidance to VA for FY's 2010 & 2011 as \$60.8 million. HUD further estimated debt recovery for VA of \$503,289 for the fiscal years involved. HUD estimate of loss avoidance assumes 50 percent of loan applicants who are matched on CAIVRS would default on the loans for which they are applying. DMC's original estimate (\$232,935) was based on an assumption 25 percent would default. This makes both HUD and VA consistent in the sense the only difference is the variable in the rate of likely default. DMC believes the generally more stringent underwriting criteria used by VA would tend to reduce the likely default and foreclosure rate. Moreover, the GIF program indemnity component would, to some degree, further reduce the cash outflow in the event of default.

h. Identify Income Dependent Beneficiaries Receiving Railroad Retirement Board (RRB) Payments: There was no exchange of information for FY 2010 and FY 2011, therefore, there are no FY cost savings for these two years. A new Information Security Agreement & Memorandum of Understanding (ISA/MOU) has not been in place, therefore, there are no cost benefit figures available for 2011. The ISA/MOU is currently in concurrence. VA is the recipient agency of this match.

i. Federal Student Application with the Department of Education (ED): During calendar year 2010, the cost savings realized from the match were \$7,494,795. The projected savings used for 2011 calendar year was \$11,737,160. VA is the source agency for this match.

j. Eligibility of Incarcerated VA Beneficiaries to Continue to Receive VA Benefits with the Department of Justice, Bureau of Prisons: This matching agreement is active, but there are no cost benefit figures currently available since this match has not run in this new agreement period since there is a virtual portal network that is being worked out and is not installed. VA is the recipient for this match.

k. Verify Income Tax Information with the Social Security Administration (SSA Match #1050): This match is conducted in conjunction with the IRS income Verification Match. Therefore, cost savings cannot be separately calculated. The projected savings was approximately \$10.8 million per year. During FY 2011, the cost savings of \$13,026,486 were realized from the match with the IRS and SSA (#1050). This exceeds the expected savings by \$2,226,486. VA is the recipient agency of this match.

l. Eligibility for Montgomery GI Bill Benefits with the Department of Defense: During fiscal year 2011, the savings to VA and the Defense Manpower Data center was \$14,396,696.

m. Determination of Eligibility for Post 9/11 GI Benefits with the Department of Defense: During FY 2011, the computer match accounted for savings of \$13,933,460 to VA in mailing and data entry costs. VA avoids the personnel costs of inputting data manually as well as storage costs for the Defense Manpower Data Center documents.

n. Reserve Pay Reconciliation with the Department of Defense, Manpower Data Center: During fiscal year 2011, the cost savings or \$10,785,712 were realized from the match.

o. Verification of Civilian Health and Medical Program of VA (CHAMPVA) Benefits with the Department of Health and Human Services Centers for Medicare and Medicaid Services

(CMS): During fiscal years 2010 and 2011, this match is conducted in conjunction with the Centers for Medicare and Medicaid Services' Enrollment Database (EDB) to identify eligibility of beneficiaries of Medicare benefits. Therefore, cost savings cannot be separately calculated.

p. Verification of Disability Compensation with the Department of Defense: During the time period of FY 2011, the cost savings were \$5,540,985 from this match. The prior term's cost savings were the same (2010). VA is listed on the CMA as the source agency for this match.

q. Verification of Eligibility with the Department of Defense, Manpower Data Center: VA and DMDC have adopted policies and procedures to ensure that information contained in their respective records and obtained from each other shall be maintained and disclosed solely as provided in the Privacy Act, as amended, and the Freedom of Information Act, as amended (5 U.S.C. § 552), and the respective regulations promulgated hereunder. VA and DMDC shall establish appropriate administrative, technical, and physical safeguard to insure the security and confidentiality of the records and to protect against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained. These safeguards include both DMDC and VA agreeing to comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. Sec 3541 at seq.; related Office of Management and Budget (OMB) circulars and memorandums such as Circular A-130, Management of Federal Information Resources (Nov. 28, 2000), and Memorandum M-06-16, Protection of Sensitive Agency Information (June 23, 2006); and National Institute of Science and Technology (NIST) directives. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize that laws, regulations, NIST standards, and OMB directives relating to the subject of this agreement and published subsequent to the effective date must also be implemented if mandated. VA OIG will retain the matched records received from DMDC only for the period of time required for any processing related to the matching program and will destroy the records in accordance with the applicable Federal records disposition schedule established pursuant to 44 U.S.C. § 3303a., unless the information must be retained in individual file folders to meet evidentiary requirements.

r. Verification of Income of Medical Care Applicants with Internal Revenue Service: During the time period of January 1, 2010 through December 31, 2010, the cost savings of \$10,107,708 were realized from the match. During January 1, 2011 through December 31, 2011, the cost savings of \$9,428,346 were realized from the match.

s. Verification of Income of Medical Care Applicants with Social Security Administration: During January 1, 2010 through December 31, 2010, the cost savings of \$10,107,708 were realized from the match. During January 1, 2011 through December 31, 2011, the cost savings of \$9,428,346 were realized from the match.

t. State public Assistance Agencies (SPAAs) with the Department of Health and Human Services: During FY 2011, the cost savings of \$31,300,000 were realized from the match. The prior match noted the same cost savings for 2010. VA is the source agency for this match.

In each of the above agreements, the matches were conducted in accordance with the initial agreements and appropriate authorities where applicable. The record keeping and the disposal policies and practices involved in the matches in which we participated are in conformance with the Privacy Act.

4. Benefit/Cost Requirement: List each program for which the Board waived the benefits-cost analysis requirement. Explain reasons for waiver.

None

5. Rejected Agreements: A description of any matching agreement the Board rejected and explanation of the rejection.

None

6. Violations: List any violations of matching agreements that have been alleged or identified.

None

7. Litigation: Discuss any litigation involving the agency's participation in any matching program.

None

8. Inaccurate Records: For any litigation based on allegation of inaccurate records, an explanation of the steps the agency used to ensure the integrity of its data and the verification process it used in the matching program including an assessment of the adequacy of each.

None