

**COMPUTER MATCHING
AGREEMENT BETWEEN
DEFENSE MANPOWER DATA CENTER,
DEPARTMENT OF DEFENSE AND
THE DEPARTMENT OF VETERANS AFFAIRS
FOR VERIFICATION OF DISABILITY
COMPENSATION AND PENSION
DoD-DMDC Computer Matching Agreement #87**

I. INTRODUCTION AND BACKGROUND

A. Supersedes

This computer matching agreement (CMA) supersedes all existing data exchange agreements or memoranda of understanding between the Defense Manpower Data Center (DMDC) of the Department of Defense (DoD) and the Veterans Benefits Administration (VBA) of the Department of Veterans Affairs (VA) concerning the exchange of personal data pertaining to VA disability compensation and pension recipients who have returned to active duty.

B. Guidance

This agreement between DMDC, DoD, and VA is executed to comply with the Privacy Act of 1974, as amended, 5 U.S.C. § 552a, Office of Management and Budget (OMB) guidelines pertaining to computer matching (54 FR 25818, June 19, 1989), and OMB Circular No. A- 108 (81 FR 94424, December 23, 2016).

C. Abbreviations and Definitions

1. **Active Duty and Active Service:** Defined in 10 U.S.C. § 101(d).
2. **Active Duty for Training:** Described in 10 U.S.C. § 101(d) and 10 U.S.C. 12316(a).
3. **DMDC:** Defense Manpower Data Center.
4. **DoD:** Department of Defense.
5. **DOD_EDI_PN_ID (DoD EDIPI):** DoD Electronic Data Interchange Person Identifier
6. **DOD_VA_PNL:** DoD VA Personnel Name
7. **DOD_VA_GRAS:** DoD VA Guard Reserve Active Service

8. **DOD_VA_PN_XR:** DoD VA Person Cross Reference
9. **FR:** Federal Register, when used for citation purposes with the volume number and page number. Example: 58 FR 12345. Information about the FR can be found at <https://www.archives.gov/federal-register/the-federal-register/about.html>.
10. **Matching Program:** Defined in 5 U.S.C. § 552a(a)(8). The particular matching program described in this agreement meets the criteria for a matching program because it involves a computerized comparison of two automated systems of records for the purpose of verifying the eligibility of, or continued compliance with statutory and regulatory requirements by, recipients of payments under a Federal benefit program as defined in 5 U.S.C. § 552a(a)(12).
11. **OMB:** Office of Management and Budget.
12. **Privacy Act:** The Privacy Act of 1974, as amended, 5 U.S.C. § 552a.
13. **Recipient Agency:** Consistent with subsection 5 U.S.C. § 552a(a)(9), will mean Veterans Benefits Administration, the agency receiving the records and actually performing the computer match (i.e., the matching agency).
14. **Source Agency:** Consistent with subsection 5 U.S.C. § 552a (a)(11), will mean the DMDC, the agency initially disclosing the records for the purpose of this computer match.
15. **SSN:** Social Security Number.
16. **U.S.C.:** United States Code.
17. **Uniformed Services:** Defined in 10 U.S.C. § 101(a).
18. **VA:** Department of Veterans Affairs, Veterans Benefits Administration.
19. **VADIR:** The VA/DoD Identity Repository (VADIR) is a distributed database system of select data tables shared between the VA and DMDC production environments using replication technology. VADIR includes authoritative data from both DoD and VA to support consistent identification of beneficiaries, registration, automated eligibility determinations, and common business functions for VA beneficiaries.

D. Background

38 U.S.C. § 5304(c), Prohibition Against Duplication of Benefits, provides that VA disability compensation or pension based upon a person's previous military service

shall not be paid to that person for any period for which such person receives active service pay.

II. PURPOSE AND LEGAL AUTHORITY

A. Purpose of the Matching Program

1. The purpose of this agreement is to verify the continuing eligibility for Uniformed Services Members, including National Guard and Reserve personnel, for VA benefits by identifying VA disability benefit recipients who return to active duty, including active-duty training status, and to ensure that VA benefits are terminated or adjusted when appropriate.
2. VA maintains the VA-DoD Identity Repository (VADIR), a database used for benefits administration. DMDC provides identifying information on active duty personnel (including full-time members of the National Guard and Reserve) in VADIR. VA provides identifying information on disability compensation and pension recipients in VADIR. VA will conduct monthly matches and use the data in VADIR to identify those VA benefit recipients who are on active duty for the same periods and thus are ineligible to receive VA compensation or pension. This information will be used to adjust or terminate benefits, when appropriate.

B. Legal Authority

1. The legal authority for conducting the matching program for use in the administration of VA's Compensation and Pension Benefits Programs is contained in 38 U.S.C. § 5304(c), Prohibition Against Duplication of Benefits, which precludes "[p]ension, compensation, or retirement pay on account of any person's own service...for any period for which such person receives active service pay."
2. DoD is authorized to provide information to VADIR for this purpose pursuant to 38 U.S.C. § 5106, which requires the "head of any Federal department or agency" to "provide such information" requested by VA "for purposes of determining eligibility for or amount of benefits or verifying other information with respect thereto."

III. JUSTIFICATION AND ANTICIPATED RESULTS

A. Justification

The parties to this agreement have determined that a computer matching program is the most efficient, expeditious, and effective means of obtaining the information

needed by VA to identify ineligible VA disability compensation and pension recipients who have returned to active duty or performed active duty for training. This matching agreement will make possible the identification of those Veterans who have returned to active duty but are still receiving disability compensation or pension. If this identification is not accomplished by computer matching, but is performed manually, the cost would be prohibitive, and it is possible that not all ineligible individuals would be identified.

B. Anticipated Results

Based on the cost-benefit analysis, VA expects to save \$275.6 million over the life of this matching agreement (Attachment 1). The cost and beneficial impact of this match on DoD operations is also described in Attachment 1.

IV. DESCRIPTION OF THE MATCH AND RECORDS INVOLVED

A. Description of the Match

1. VBA will provide identified data elements of individual VA disability compensation and pension recipients in VADIR. (Attachment 2). DMDC will provide identified data elements of military members who are currently serving on active duty or performing active duty for training in VADIR. (Attachment 3). The primary key used to generate the monthly match for a specific individual is the DoD Electronic Data Interchange Person Identifier (DOD_EDIPN_ID).
2. VA will perform a computer match of individuals receiving VA disability compensation or pensions against the DMDC records of Uniformed Services Members, including National Guard and Reserve personnel, who are currently serving on active duty or performing active duty for training. VADIR will use the DoD EDIPI to identify matching DoD and VA records, i.e., those that are about the same individual. For matched records, VA will obtain the Service member's name, branch of service, and other required data elements listed in Attachment 3.
3. VA is responsible for verifying that the computer-generated matches are consistent with the VADIR source data and for resolving all discrepancies or inconsistencies on an individual basis. VA is also responsible for making final determinations as to positive identification, eligibility for benefits, and verifying any other information required, consistent with Section VII of this agreement.

B. Number of Records and Data Elements Involved

1. The data provided by VA will contain information on approximately 5.1 million disability compensation and pension recipients. The data elements to be used for this matching program are listed in Attachment 2.
2. The data provided by DMDC contains approximately 2.5 million records of Uniformed Services Members, including National Guard and Reserve personnel, who are currently serving on active duty. The data elements to be used for this matching program are listed in Attachment 3.

C. Privacy Act Systems of Records

1. The DMDC will use the system of records identified as DMDC 01, entitled “Defense Manpower Data Center Data Base,” last published in the Federal Register on May 27, 2022, 87 FR 32145. The Routine Use L.5 provides for disclosure to VA to conduct computer matching programs in support of “[p]roviding identification of active-duty Uniformed Services personnel, including full-time support National Guard/Reserve Armed Forces personnel, for use in the administration of DVA’s Compensation and Pension benefit program. The information is used to determine continued eligibility for DVA disability compensation for recipients who return to active duty so benefits can be adjusted or terminated and DVA can collect overpayments as appropriate (38 U.S.C. 5304(c)).”
2. VA will use the system of records identified as “Compensation, Pension, Education and Vocational Rehabilitation and Employment Records– VA (58 VA 21/22/28),” last amended at 86 FR 61858 (November 8, 2021). The Routine Use 35 is the applicable routine use.
3. VA will also use the system of records identified as “Veterans Affairs/Department of Defense Identity Repository (VADIR)-VA (138VA005Q),” last amended at 87 FR 79066 (December 23, 2022). The Routine Use 13 is the applicable routine use.
4. The systems of records contain appropriate routine uses permitting the disclosure and exchange of information between VA and DoD pursuant to subsection (b)(3) of the Privacy Act. The routine uses are compatible with the purposes for which each agency collected the information and also reflect that the disclosures are made for computer-matching purposes.

V. RECORDS ACCURACY ASSESSMENT

A. Department of Veterans Affairs

VA serves as the recipient agency. VA records are from Compensation and Pension Corporate Records maintained at the Hines Benefits Delivery Center. They contain information provided by Compensation recipients and obtained from official sources such as Service department records. Previous matches with the same files indicate that VA records are at least 99% accurate.

B. Department of Defense/DMDC

DoD serves as the source agency. DMDC records are extracts of personnel records provided by the Uniformed Services and maintained in the DMDC Person Data Repository satellite databases. Experience with the use of these records for other business applications and analyses performed by DMDC show these records to be at least 99% accurate.

VI. STARTING AND COMPLETION DATES

A. Transmittal Letter Begins Review Time

When this agreement is approved and signed by the Chairpersons of the respective Data Integrity Boards (DIBs), VA, as the recipient agency, will submit this agreement and the proposed public notice of the match as attachments via a transmittal letter to OMB and Congress for review.

B. Matching Notice Publication

VA will submit the notice of this match to OMB and Congress at least 30 days before the publication of the notice in the Federal Register (unless VA requests and OMB grants an expedited review period) in accordance with OMB Circ. A-108. The matching notice will clearly identify the systems of records and categories of records being used. A copy of the published notice shall be provided to DoD.

C. Effective Date of Agreement

The effective date of the matching agreement and date when matching may actually begin shall be at the expiration of the 30-day review period after publication of the matching notice in the Federal Register; or the end of a subsequent 30-day review period should significant changes in response to public comments and republication of the matching notice in the Federal Register be necessary. The mandatory 30-day public comment period for the Federal Register publication will be after the 30-day OMB and Congressional review period (unless VA requests and OMB grants an expedited OMB review period).

D. Duration and Renewal of the Agreement

This agreement shall be valid for 18 months after the effective date and may be renewed by the agencies for a period of time not to exceed one additional year if each agency's program manager certifies to its respective DIB that:

1. The matching program will be conducted without change; and
2. The matching program has been conducted in compliance with the original agreement.

It shall be the responsibility of the recipient agency to draft the renewal. If either agency wishes not to renew this agreement, it should notify the other of its intentions not to renew at least 90 days before the expiration of the agreement. This agreement may be modified at any time with the consent of both parties. The modification must be in writing, satisfy the requirements of the Privacy Act, and be approved by the DIB of each agency.

Upon the expiration of this agreement, or for any period during which it is suspended, lapsed, or otherwise not in effect, and to the extent that any reserve military pay data is received from DoD, VA agrees not to make any automated comparison of the data that would lead to any prospective adjustments of compensation or pension benefits until an agreement is executed.

E. Frequency of Matching

Upon the agreement taking effect, VA will perform the data match on a monthly basis, following an initial 30 day wait period.

F. Modification or Termination of the Agreement

This agreement may be modified at any time with the consent of each agency. The modification must be in writing, satisfy the requirements of the Privacy Act and OMB Circular A-108, and be approved by the agencies' respective DIBs.

This agreement may be terminated at any time with the consent of both agencies. Either agency may unilaterally terminate this agreement upon written notice to the other agency, in which case, the termination shall be effective 90 days after the date of the notice, or at a later date specified in the notice so long as the termination date does not exceed the expiration date of the agreement in effect (including any applicable renewal period approved by the DIB).

VII. NOTICE PROCEDURES

A. Individual Notice

Subsection (o)(1)(D) of the Privacy Act requires an agency to implement procedures for providing individualized notice at the time of application, and periodically thereafter, to applicants for and recipients of payments under Federal benefits programs. VA provides individualized (direct) notice to all applicants who apply for disability compensation or pension benefits that the information provided on the application (VA Form 21-526EZ, Application for Disability Compensation and Related Compensation Benefits) is subject to computer matches with other agencies to determine eligibility for benefits and may be used by VA to verify any information provided.

B. Constructive Notice

Any deficiencies as to direct, and periodic, notice procedures to the individual for the matching program in paragraph A., above are cured by the indirect or constructive notice that will be accorded record subjects by VA's publication in the Federal Register of the public notice of the proposed matching agreement as required by subsection (e)(12) of the Privacy Act.

VIII. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST

A. Verification Procedures

1. VA is responsible for verifying and determining, in the event of a match, if the DMDC data are consistent with the data in the VA disability compensation or pension files and for resolving all discrepancies or inconsistencies as to the positive identification on an individual basis.
2. VA will screen the initial data to verify that the matched individual is in fact a recipient of VA pension or disability compensation. VA will do this by comparing the "hit" data with VA's case files to verify the identity of the individual and will conduct independent inquiries when necessary to resolve questionable identities.
3. Any discrepancies or inconsistencies in data furnished by DoD, or developed as a result of the match, will be independently investigated, and verified by VA prior to any adverse action being taken against the individual.

B. Opportunity to Contest Findings

Sixty days before taking any adverse action based on the information resulting from the match, VA will provide written notice to all individuals against whom adverse action is anticipated. This written notice will inform the individual:

1. That VA has received information from DMDC that indicates that the individual is serving on active duty or was serving on active duty during a period when the individual was also in receipt of compensation or pension pay. The notice will further advise that disability compensation or pension cannot be legally paid while the individual is receiving active duty pay and that action will be taken to terminate or adjust such VA payments and to recoup those amounts that have been overpaid.
2. That the individual has the right to present new evidence, the right to a hearing, and has 60 days in which to contest and respond to the information provided by VA.
3. That unless the individual notifies VA that the information is not accurate within 60 days from the date of the notice, VA will conclude that the data provided is correct and will take appropriate action regarding the individual's payments. If the individual verifies the accuracy of the adverse information, VA will take the proposed action immediately. Upon completion of the adverse action, VA will notify the individual of appellate rights, amount of overpayment, if any, and procedures for requesting waiver of the overpayment.

C. Effect of Amendments to Regulations.

On December 12, 2023, VA published amendments to its regulations at 38 C.F.R. §§ 3.103 and 3.654, with an effective date of January 11, 2024. 88 FR 86058 (Dec. 12, 2023). Because the procedures in the amended regulations have not yet been fully implemented, VA will follow the procedures described in this section. Any notice provided to a Veteran under this section will clearly indicate applicability of the procedures described in this section. Before adopting a process that is inconsistent with the process specified in this agreement, VA will notify the DoD points of contact listed in section XIII to execute any necessary amendment to this agreement, in accordance with section VI.D.

IX. SECURITY PROCEDURES

A. DoD and VA will comply with all Federal requirements relating to information security, information systems security, and privacy, including the Federal Information Security Modernization Act of 2014 (FISMA), the E-Government Act of 2002, OMB memoranda related to privacy, the National Institute of Standards and Technology (NIST) directives in the special publications (SP) 800 series (e.g., NIST SP 800-53, Rev 5, and NIST SP 800- 10 37, Rev 2). Specific security requirements include, but are not limited to, the following:

1. Each party shall establish appropriate administrative, technical, and physical safeguards to assure the security and confidentiality of 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.

2. The data will be transmitted through secure means, e.g., secure file transfer protocols, virtual private networks, secure socket layers, symmetric key encryption, or other generally recognized means of securing data transmissions.
3. Access to the records matched and to any records created by the match will be restricted only to those authorized employees and officials who need it to perform their official duties in connection with the uses of the information authorized in this agreement.
4. The records matched and any records created by the match will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use, including ensuring that the removal of any data from the work site for official purposes (e.g., telework, working from a residence, etc.) is only accomplished in accordance with agency procedures that shall protect the data (e.g., password protocols, encryption, etc.) if the portable devices on which the data is stored (e.g., laptop hard drives, CDs, disks, etc.) are lost, stolen, or otherwise compromised.
5. The records matched and any records created by the match will be processed under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the records, and in such a manner that unauthorized persons cannot retrieve any such records by means of computer, remote terminal, or other means.
6. All personnel who will have access to the records matched and to any records created by this exchange will be advised of the confidential nature of the information and the civil and criminal sanctions for noncompliance contained in the Privacy Act of 1974 and other applicable federal laws.
7. DoD and VA will also comply with the personally identifiable information breach reporting and security requirements as required by OMB M-17-12, "Preparing for and Responding to a Breach of Personally Identifiable Information (PII)." DoD and VA also agree to report information security incidents, where the confidentiality, integrity, or availability of a federal information system of the Executive Branch is potentially compromised, to the Cybersecurity & Infrastructure Security Agency/United States Computer Emergency Readiness Team (CISA/US-CERT) with the required data elements, as well as any other available information, within one hour of being identified by the agency's top-level Computer Security Incident Response Team (CSIRT), Security Operations Center (SOC), or information technology department. 11 The agency experiencing the PII breach will notify the other agency's System Security Contact named in Section XIII of

this CMA. If DoD is unable to speak with the VA System Security Contact within one hour, or if for some other reason notifying the VA System Security Contact is not practicable (e.g., it is outside of the normal business hours), DoD will contact VA at National Data Center ISO at VAVBAHIN/ISO@va.gov. If VA is unable to speak with the DoD System Security Contact within one hour, VA will contact DMDC at: dodhra.dodc-mb.dmdc.list.irteam@mail.mil and dodhra.dodc-mb.dmdc.list.privacy-office@mail.mil.

8. If the agency that experienced the breach of PII determines, in coordination with the agency that provided the PII (as applicable), that the risk of harm to affected individuals or to either agency requires notification to affected individuals and/or other remedies, that agency will carry out the remedies and assume all costs of the remediation.

B. DoD and VA may request onsite inspections of the other party's facilities and/or security documentation or make other provisions to ensure that adequate safeguards are being maintained under this agreement by both agencies.

C. DoD and VA will adopt policies and procedures to ensure that information contained in their respective records and obtained from each other shall be used solely as provided under this agreement, in accordance with the Privacy Act and any other applicable laws.

X. RECORDS USAGE, DUPLICATION, RETENTION AND REDISCLOSURE RESTRICTIONS

A. VA agrees to the following limitations on the access to, and disclosure and use of, the electronic files and information provided by DoD/DMDC:

1. That the data provided by each agency will not be used to extract information concerning individuals therein for any purpose not specified in this agreement unless required by law.
2. That the data provided by each agency will only be used and maintained by the other agency and will not be duplicated or disseminated within or outside the other agency except in accordance with the terms of this agreement and as authorized by law.
3. That information resulting from the matching program may be disclosed for follow-up and verification or for civil or criminal investigation or prosecution if the match uncovers activity that warrants such action.

B. Both agencies will keep an accurate accounting of disclosures from an individual's record as required by subsection (c) of the Privacy Act. This accounting is mandated so as to permit record subjects to know how their personal information is being used; to enable the agency to inform past recipients of disputed or corrected information;

and to provide an audit trail for any subsequent reviews of agency compliance with subsection (b) of the Privacy Act pertaining to conditions of disclosure.

C. Each party agrees to the following with respect to data ownership and retention:

1. DMDC data sent to the VA pursuant to this agreement will remain DoD-owned records while stored in VADIR. Those records shall be retained in accordance with the Federal Records Act and applicable records schedules (44 U.S.C. 3303A), as described in the applicable system of records notice. VA will not create a separate, permanent data set consisting of this information except as necessary to monitor the results of the matching program.
2. If any DMDC record pertains to a match and warrants retention by VA, VA may copy the DMDC record and maintain it in the Veteran's file in the appropriate VA Privacy Act system of records associated with the VA activity supported by this matching agreement. Those records shall be retained in accordance with the Federal Records Act and applicable records schedules (44 U.S.C. 3303A), as described in the applicable system of records notice.

XI. COMPTROLLER GENERAL ACCESS

The Government Accountability Office (Comptroller General) of the United States may have access to all DoD and VA records as necessary to monitor and verify compliance with this agreement.

XII. REIMBURSEMENT

Expenses incurred by this data exchange will not involve any payments or reimbursements between DoD and VA. Cost adjustments, however, may be made in the future between the agencies. VA and DoD may make such adjustments by means of a reimbursable agreement between the two agencies.

XIII. POINTS OF CONTACT

A. The VA contacts are:

1. Program Issues:
Delonda Garmon
Program Analyst
Compensation Service
Veterans Benefits Administration
Department of Veterans Affairs
810 Vermont Avenue,
NW Washington, DC 20420
E-mail: Delonda.Garmon@va.gov

2. Systems Operations:
John Brandt
Business Applications Analyst
Compensation Service
810 Vermont Avenue, NW
Washington, DC 20420
Telephone: (402) 420-4233
E-mail: John.Brandt@va.gov

3. Security Operations:
Tamer Ahmed
Information System Security Officer (ISSO)
Office of Information Security (OIS)
Office of Information and Technology (OIT)
Veterans Benefits Administration Department of Veterans Affairs 810
Vermont Avenue, NW Washington, DC 20420
Telephone: (202) 461-9306
Email: Tamer.Ahmed@va.gov

B. The DoD contacts are:

1. For DoD Data Integrity Board Issues:
Rahwa A. Keleta
Director, Privacy and Civil Liberties
Office of the Assistant to the Secretary of Defense
for Privacy, Civil Liberties, and Transparency
Department of Defense
4800 Mark Center Drive
Alexandria, VA 22350
Telephone: (703) 571-0070
Email: Rahwa.A.Keleta.civ@mail.mil

2. DMDC Privacy Issues:
Samuel Peterson
Privacy Chief
Defense Manpower Data Center
400 Gigling Rd.
Seaside, CA 93955-6771
Telephone: (831) 220-7330
Email: Samuel.M.Peterson2.civ@mail.mil

3. DMDC System Operations:
Jasdeep Singh
IT Specialist, Product Owner
Defense Manpower Data Center
400 Gigling Rd.
Seaside, CA 93955-6771
Telephone: (831) 583-2400 ext. 4521
Email: Jasdeep.Singh.civ@mail.mil

4. DMDC Security Issues:
Donna Naulivou
Information System Security Officer
Defense Manpower Data Center
400 Gigling Rd.
Seaside, CA 93955-6771
Telephone: (831) 220-6855
Email: Donna.M.Naulivou.civ@mail.mil

DEPARTMENT OF DEFENSE

XIV. APPROVALS

A. DoD Program Official

Subject to the approval of the Data Integrity Boards of the parties to this agreement and the required notifications, the authorized program official, whose signature appears below, accepts, and expressly agrees to all the terms and conditions, included herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits DMDC to the terms of this agreement.

YOUSEFZADEH.SA M.1299285614 Digitally signed by
YOUSEFZADEH.SAM.1299285614
Date: 2024.09.24 14:42:28 -04'00'

Sam Yousefzadeh
Director
Defense Manpower Data Center
Department of Defense

Date

DEPARTMENT OF DEFENSE

APPROVALS (cont.)

B. Data Integrity Board

The respective Data Integrity Board, having reviewed this agreement and finding that it complies with applicable statutory and regulatory guidelines, signifies its collective approval thereof by the signature of the below official.

CHUNG.JOO.Y.151
2306507

Digitally signed by
CHUNG.JOO.Y.1512306507
Date: 2024.10.15 11:46:30 -04'00'

Joo Y. Chung
Chairperson
Defense Data Integrity Board
Department of Defense

Date

APPROVALS (cont'd)

A. VA Program Officials

Subject to the approval of the Data Integrity Boards of the parties to this agreement and the required notifications, the authorized program officials, whose signatures appear below, accept and expressly agree to all the terms and conditions included herein, confirm that no verbal agreements of any kind shall be binding or recognized, and hereby commit their respective organization to the terms of this agreement.

BETH MURPHY Digitally signed by BETH MURPHY
Date: 2024.09.27 10:49:40 -04'00'

9/27/24

Beth Murphy
Executive Director
Compensation Service
Veterans Benefits Administration
Department of Veterans Affairs

Date

NILIJAH CARTER Digitally signed by NILIJAH
CARTER
Date: 2024.09.27 11:24:49 -04'00'

9/27/24

Dr. Nilijah E. Carter
Executive Director
Pension & Fiduciary Service
Veterans Benefits Administration
Department of Veterans Affairs

Date

APPROVALS (cont'd)

B. Data Integrity Board

The respective Data Integrity Board, having reviewed this agreement and finding that it complies with applicable statutory and regulatory guidelines, signifies its collective approval thereof by the signature of the below official.

JOHN OSWALT Digitally signed by JOHN OSWALT
Date: 2024.11.08 10:01:09 -05'00'

11/8/24

John Oswalt
Chair
Data Integrity Board
Department of Veterans Affairs

Date

Attachments

1. VA and DoD Cost Benefit Analysis
2. VA Data Elements to be Furnished to DMDC
3. DMDC Data Elements to be Furnished to VA

ATTACHMENT 1

COMPUTER MATCHING AGREEMENT WITH DEFENSE MANPOWER DATA CENTER, DEPARTMENT OF DEFENSE COST BENEFIT ANALYSIS SUMMARY

Identification

The purpose of this analysis is to estimate the benefits and costs of re-establishing a computer matching agreement with the Defense Manpower Data Center (DMDC), Department of Defense (DoD). The agreement will allow VBA to verify information for purposes of determining eligibility for benefit payments, and it will be in place for 18 months. This Cost Benefit Analysis (CBA) was initially developed assuming an effective period from approximately July 9, 2024, through approximately January 9, 2026.

Highlights

Federal law prohibits the duplication of benefits (38 United States Code (U.S.C.) § 5304(c)) and provides that VA disability compensation or pension based upon his or her previous military service shall not be paid to a person for any period for which such person receives active service pay. Further, 10 U.S.C. § 12316 provides that a Reservist who is entitled to disability payments due to his or her earlier military service and who performs duty for which he or she is entitled to compensation from DoD, or the Coast Guard may elect to receive for that duty either VA disability payments or compensation from DoD or the Coast Guard for the duty performed.

VBA will provide DMDC electronic data with identifying information on over six million Veterans compensation recipients for July 9, 2024 through January 9, 2026 of the re-established matching agreement. DMDC will provide identified data elements of military members who are currently serving on active duty or performing active duty for training for purposes of determining the number of active duty days for which the Veteran was paid. VBA will use this information to make necessary payment adjustments. The matching agreement will help VA avoid fraud and minimize improper payments.

Estimated Mandatory Savings

This CBA was initially developed assuming an effective period from approximately July 9, 2024, through approximately January 9, 2026. Mandatory savings are estimated to be \$275.6 million.

| Mandatory Savings – Prorated for 18 Months | | | |
|---|---|--------------------------------------|----------------------|
| (\$000s) | | | |
| Fiscal Year (FY) | Savings from Collecting Overpayments | Savings from Reduced Payments | Total Savings |
| 2024 | \$ 20,699 | \$ 17,563 | \$ 38,262 |
| 2025 | \$ 99,037 | \$ 84,032 | \$ 183,069 |
| 2026 | \$ 29,378 | \$ 24,927 | \$ 54,304 |
| Total | \$ 149,114 | \$ 126,522 | \$ 275,636 |

Mandatory Savings Methodology

The computer matching agreement will be re-established for 18 months. This CBA was initially developed assuming an effective period from approximately July 9, 2024, through approximately January 9, 2026. Therefore, savings reflect prorated amounts for these specific dates in FY 2024 and FY 2026.

Debts Collected from Overpayments

The Office of Performance Analysis & Integrity (PA&I) provided historical data on the amount of overpayments made to Veterans who received DoD active military pay while in receipt of compensation and pension (C&P) benefits. Overpayments for FY 2023 were equal to 0.06% of total Veterans compensation obligations. This percentage was applied to the total Veteran compensation obligations from the 2025 President’s Budget to project overpayments in the outyears.

PA&I also provided historical data on the amount of recovered overpayments from the same population. The recovery rate for FY 2023 was 88.4%. This recovery rate was applied to projected overpayments in the outyears to estimate total savings from debt collections.

Future Cost Avoidance – Reduced Payments

When VA is notified that a Veteran will be called to active service, benefits are terminated for the duration of the Veteran’s active service pay. Based on historical data and program knowledge, Compensation Services assumes future cost avoidance based on this matching agreement will be equal to 75% of total overpayments. To project savings attributed to future cost avoidance, the ratio was applied to the estimated overpayments in FY 2024-2026.

Estimated Discretionary Cost

The General Operating Expenses (GOE) costs for the first 6 months of the agreement (starting in 2024) are estimated at \$504 thousand and \$1 million for the following 12 months for an estimated 18-month total of \$1.5 million between July 9, 2024 through January 9, 2026.

| GOE Costs | | |
|--------------------|------------|----------------------------|
| Fiscal Year | FTE | Obligations (\$000) |
| 2024 | 10 | \$504 |
| 2025 | 10 | \$1,041 |
| Total | | \$1,545 |

Discretionary Cost Methodology

GOE costs were developed using 10 GS-9 FTE to review the estimated number of cases. Standard rates were applied for benefits, rent, travel, supplies, and equipment. All other non-pay costs were developed based upon currently known program requirements.

DoD COST BENEFIT ANALYSIS

BENEFITS:

The data sharing arrangement involves the exchange of personnel information between DoD and VA to facilitate more effective and efficient management of benefits programs administered by the Veterans Administration. DMDC provides personnel data through VADIR to support multiple Veterans Administration benefits programs. This computer matching activity to cross-check active-duty records against those receiving VA pensions and disability payments will not require significant additional effort on DMDC's part. The use of computer matching obviates the need for manual efforts and decreases the risk of errors in recoupment actions.

COSTS:

DMDC FY24 Technical Operations

Extract data to VADIR \$17,389

DMDC FY2024 Technical Operations Estimate: \$17,389

DoD FY24 Administrative/Personnel Costs

| | |
|---|-------|
| Action Officer GS-13-5 @\$69.90 for 48 hrs | 3,355 |
| Agreement Manager GS-12-5 @ \$58.78 for 25 hrs | 1,470 |
| Office of the General Counsel GS-15-5 @ \$89.04 for 10 hrs | 890 |
| Data Integrity Board Executive Secretary GS-15-5 @ 89.04 for 5 hrs | 445 |
| Data Integrity Board Members 8 GS-15-5 Mbrs @ 89.04 for 0.5 hrs each | 356 |

DMDC FY2024 Administrative Estimate: \$6,561

SUMMARY:

While DoD's costs for participating in the match are relatively small, the benefit to service members is substantial. In addition to a more efficient program and improved service, Uniformed Services Members, including National Guard and Reserve, benefit significantly from this match through the reduced need for and reduced severity of recoupment actions resulting from overpayments.

ATTACHMENT 2

VA DATA ELEMENTS TO BE FURNISHED IN VADIR

- a. VA File Number
- b. VA Regional Office Number
- c. Date of Birth
- d. First Name
- e. Last Name
- f. Middle Initial
- g. Payee Number
- h. Category Type
- i. SSN

ATTACHMENT 3

DMDC DATA ELEMENTS TO BE FURNISHED IN VADIR

1. DoD Electronic Data Interchange Person Identifier
2. DoD Name
3. DoD Date of Birth
4. EOD Date (Entered on Duty Date)
5. Branch of Service
6. Date of Birth
7. First Name
8. Last Name
9. Middle Initial
10. PNL Table Data
 - Personnel Category Code
 - Service Code
 - Personnel Begin Date
 - Personnel Termination Date
11. GRAS Table Data
 - GRAS Begin Date
 - GRAS Projected End Date
 - GRAS Termination Date
 - GRAS Project Code*
 - GRAS Statute Code*