

**COMPUTER MATCHING AGREEMENT
BETWEEN
DEPARTMENT OF DEFENSE, DEFENSE MANPOWER DATA CENTER,
STATE PUBLIC ASSISTANCE AGENCIES, AND
DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION
FOR CHILDREN AND FAMILIES
FOR VERIFICATION OF CONTINUED ELIGIBILITY FOR BENEFITS
THROUGH THE PUBLIC ASSISTANCE REPORTING INFORMATION
SYSTEM (PARIS) PROGRAM**

**DoD-DMDC No. 86
Projected Effective Date: February 1, 2019**

I. PURPOSE, LEGAL AUTHORITY, AND DEFINITIONS

A. Purpose

Since 1993, the Administration for Children and Families (ACF) within the Department of Health and Human Services (HHS) has worked with State Public Assistance Agencies (SPAAs) and other federal agencies to identify information-sharing opportunities and to develop and coordinate information-sharing projects which have proven useful in verifying the income of individuals receiving public assistance. In this regard, Congress recognized ACF's successful efforts by enacting Pub. L. 110-379, which amended section 1903(r) of the Social Security Act (the Act) to require states to maintain eligibility determination systems which provide data matching through the Public Assistance Reporting Information System (PARIS) or a successor system. The provision, which is now codified at 42 U.S.C. § 1396b(r), took effect on October 1, 2009.

This agreement re-establishes an existing PARIS matching program between the Defense Manpower Data Center (DMDC) within the Department of Defense (DoD) as the matching agency, ACF as the facilitating agency, and each participating SPAA. The purpose of this matching program is to identify individuals receiving both federal compensation or pension benefits and public assistance benefits under federal programs administered by the states and to verify public assistance clients' declarations of income circumstances. Each participating SPAA will provide DMDC with finder files containing identifying and other data about public assistance applicants or recipients, which DMDC will match against DoD military and civilian pay files, military retired pay files, and survivor pay files (Office of Personnel Management (OPM) civilian retired and survivor pay files will not be used). DMDC will return matched data to the SPAA, which the SPAA will use to verify individuals' continued eligibility to receive public assistance benefits and, if ineligible, to take such action as may be authorized by law and regulation to ensure fair and equitable treatment in the delivery of and benefits attributable to funds provided by the Federal Government.

This matching agreement sets forth the responsibility of DMDC and the SPAA with respect

to the information exchanged pursuant to this agreement and the responsibility of ACF with respect to facilitating the information exchanges. ACF, in its role as match facilitator, will support each SPAA's efforts to ensure appropriate participation in this matching program and compliance with this agreement's terms by assisting with drafting the necessary agreements and helping arrange signatures to the agreements. Because ACF is not a source or recipient of the data used in this matching program, the HHS Data Integrity Board (DIB) may review, but is not required to approve this matching program.

This agreement supersedes all existing data exchange agreements or memoranda of understanding between DMDC, SPAAs, and ACF concerning the exchange of data between DMDC and SPAAs, facilitated by ACF, for the purpose of identifying individuals receiving federal compensation and or pension payments and payments pursuant to state administered federal benefit programs.

B. Legal/Statutory Authority

The legal authority for conducting the matching program is in sections 402, 1137, and 1903(r) of the Social Security Act (the Act), 42 U.S.C. §§ 602, a 1320b-7, and 1396b(r).

This agreement is executed to comply with the Privacy Act of 1974, as amended (5 U.S.C. § 552a); and regulations and guidance promulgated thereunder, including OMB Circular No. A-108, "Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act," published at 81 FR 94424 (Dec. 23, 2016), OMB Circular A-130, "Managing Information as a Strategic Resource," published at 61 FR 49689 (July 15, 2016), and OMB guidance pertaining to computer matching, including: "Privacy Act of 1974: Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection act of 1988," published at 54 FR 25818 (June 19, 1989). The Privacy Act at §552a(b)(3) authorizes a federal agency to disclose information about an individual that is maintained in a system of records, without the individual's prior written consent, when the disclosure is pursuant to a routine use published in a System of Records Notice (SORN) as required by 5 U.S.C. § 552a(e)(4)(D). A published routine use for the applicable DoD system of records will cover the disclosures that DMDC will make to SPAAs under this agreement.

C. Definitions

§**ACF**: Administration for Children and Families, a component of HHS.

§**DIB**: Data Integrity Board.

§**HHS**: Department of Health and Human Services.

§**Disclose and Disclosure**: The release outside of federal or state agencies (e.g., by DoD/DMDC, HHS/ACF, or a SPAA) of information or data, with or without consent of the individual or individuals to whom the data pertains.

§**DMDC**: Defense Manpower Data Center, a component of DoD.

§**DoD**: Department of Defense.

§**Facilitating Agency**: Administration for Children and Families (ACF), a component of

HHS.

8. **Matching Program:** As defined in subsection (a)(8) of the Privacy Act.
9. **OMB:** Office of Management and Budget.
10. **OPM:** Office of Personnel Management.
11. **PARIS:** Public Assistance Reporting Information System.
12. **Public Assistance:** State-administered federal benefit programs, including Temporary Assistance for Needy Families (TANF), Medicaid, and the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps.
13. **Privacy Act:** The Privacy Act of 1974, as amended, 5 U.S.C §552a.
14. **Recipient Agency:** Defined for purposes of this agreement as the agency receiving finder records and performing the computer match, i.e., the matching agency. DoD-DMDC will be the recipient agency.
15. **Source Agencies:** Defined for purposes of this agreement as the agencies initially disclosing records (finder records) for the purpose of a computer match. The SPAAs will be the source agencies.
16. **SNAP:** Supplemental Nutrition Assistance Program administered by the U.S. Department of Agriculture.
17. **SPAAs:** State Public Assistance Agencies participating in this matching program (potential participants listed in Attachment 1).
18. **SSN:** Social Security Number.

II. JUSTIFICATION AND ANTICIPATED RESULTS

A. Cost Benefit Analysis

The cost benefit analysis (Attachment 2) conducted for the PARIS matching programs (including this matching program using DoD data, and a related matching program using Department of Veterans Affairs (VA) data) demonstrates their likelihood to be cost effective. In addition to certain qualitative benefits, the analysis reflects total federal and state agency costs of approximately \$3,944,915.72 per year, and total state benefits savings of approximately \$221,427,015.00 per year.¹

¹ The estimated state benefits of this matching program are based on a 2007 cost-benefit analysis undertaken by HHS/ACF to assess the potential impact of PARIS on state programs system-wide. Although a similar systemic study has not been conducted in recent years, ACF estimates the current benefits of PARIS are at least as large as the 2007 estimate. In the 2007 analysis there were 40 states participating in PARIS and today all 50 States, District of Columbia and Puerto Rico participate in PARIS.

B. Other Supporting Justifications

States must verify client circumstances when determining applicant eligibility for public assistance benefits. The parties to this agreement determined a computer matching program is the most efficient, expeditious, and effective means of obtaining and processing the necessary information to identify individuals who may be ineligible for public assistance benefits (i.e., to verify client declarations of income circumstances). The principal alternative to using a computer matching program for identifying such individuals is to conduct a manual comparison of all DoD pay/retirement/survivor pay files with SPAA records of those individuals currently receiving public assistance under a state administered federal benefit program. Conducting a manual match, however, would clearly impose a considerable administrative burden, constitute a greater intrusion of the individual's privacy, and result in additional delay in the eventual recovery of any outstanding debts. By contrast, when using computer matching, the information on successful matches (hits) can be provided within thirty (30) days of receipt of an electronic file of SPAA beneficiaries.

The 2001 Government Accountability Office (GAO) report, *Paris Project Can Help States Reduce Improper Payment Benefit Payments* (GAO-01-923), projects if states include Temporary Assistance for Needy Families (TANF), Medicaid and SNAP activities in their matching projects, the gross savings will result in a savings to cost ratio of 11:1 (GAO 01-935, pp. 14, 15). All savings are in program dollars, because there is no cost paid by the states to either ACF or DMDC to participate in the matching program.

III. RECORDS DESCRIPTION

A. System of Records

The DoD data provided to SPAAs in this matching program will be disclosed from the system of records identified as DMDC 01, titled "Defense Manpower Data Center Data Base," last published in full at 76 FR 72391 (Nov. 23, 2011) (see Attachment 4).²

B. Number of Records Involved

The number of match transactions will be approximately one million per quarter; ten quarterly matches conducted in a thirty (30)-month period will involve the records of about approximately 10 million public assistance beneficiaries.

The DMDC data files contain approximately 4.85 million records of active duty and retired military members, including the Reserve and Guard, and approximately 3.68 million records of active and retired non-postal Federal civilian employees. Employee or retiree records may include information on benefits payable to employee or retiree dependents and/or survivors.

C. Specified Data Elements Used in the Match

Each participating SPAA will send DMDC an electronic finder file of eligible public

² At the time of submission of this agreement, DoD was preparing a new routine use #16 to become effective by the time of the first computer match under the agreement.

assistance client information by established secure portal. The finder files will contain data elements of the client's name, SSN, date of birth, address, sex, marital status, number of dependents, information regarding the specific public assistance benefit being received, and such other data as considered necessary (see Attachment 3).

DMDC will match the data provided by the SPAA against the DMDC data files, using all nine digits of the SSN. DMDC will then send the resulting "hits" or matches to the SPAA by established secure portal. Match results provided to the SPAA will contain data elements of the individual's name; SSN; active or retired; if active, military service or employing agency; and current work or home address; and such other data as considered necessary (see Attachment 3).

D. Frequency of Data Exchanges

Matching will be conducted when this agreement is effective and thereafter no less frequently than quarterly. On a quarterly basis, one or more of the SPAAs may elect not to participate in a scheduled match.

E. Projected Start and Completion Dates

Projected Effective Date: February 1, 2019

Projected Expiration Date: July 31, 2020 (July 31, 2021, if renewed for one year)

IV. NOTICE PROCEDURES

A. Individual Notice

The Privacy Act at §552a(o)(1)(D) requires an agency to implement procedures for providing individualized notice at the time of application, and periodically thereafter, to applicants for and recipients of financial assistance or payments under Federal benefit programs. The SPAAs will notify all individuals applying for public assistance benefits that the information provided on the application is subject to computer matching with other agencies. The SPAAs will accomplish this by way of a notice printed on their application forms or, when necessary, by providing separate handouts containing appropriate language. The SPAAs will provide subsequent notice to their respective benefit recipients by notifying each recipient of the computer matching at the time of completion of a redetermination for eligibility. Since 1988, the application for federal civilian employment includes a notice advising the applicant that records of federal civilian employees are subject to computer matching.

B. Constructive Notice

Any deficiencies in providing direct notice of the matching program to affected individuals as provided in paragraph A above are cured by the indirect or constructive notice afforded to record subjects by (1) DoD's publication in the Federal Register of the applicable DMDC routine use, as required by subsection (e)(11) of the Privacy Act, and (2) DoD's publication of the matching notice as required by subsection (e)(12) of the Privacy Act, announcing this

matching program.

V. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST FINDINGS

A. Independent Investigation

1. The SPAA agrees the occurrence of a match is not conclusive evidence the identified federal personnel are in fact the individuals receiving public assistance benefits, but merely an indication further examination is warranted.
2. The SPAA is responsible for verifying and determining if the data in the DMDC reply file is consistent with the data in SPAA public assistance files and for resolving any discrepancies or inconsistencies as to positive identification on an individual basis.
3. The SPAA will screen the initial data to verify the matched individual is, in fact, the public assistance recipient. The SPAA will do this by separately comparing the "hit" file with the SPAA public assistance files to verify the individual's identity and will conduct independent inquiries to resolve questionable identities.
4. Any discrepancies or inconsistencies in SPAA files, based on information furnished by DMDC, or developed as the result of the match, will be independently investigated and verified by the SPAA before the SPAA takes any adverse action against the individual.

B. Due Process and Opportunity to Contest

1. Before taking any adverse action based on the information received from the match, the SPAA agrees to provide written notice with specific details to each individual for whom SPAA decides adverse action may be necessary.
2. Written notices provided by the SPAA will inform the individual the SPAA received information from DMDC, which indicates the individual is receiving a federal salary/payment/benefit, which may result in either an adjustment or termination of his or her public assistance benefit; the possible initiation of collection action for any overpayment; and/or possible other administrative/judicial action as authorized by federal and/or state law or regulation. The notice must clearly explain the information in the agency's possession, its relevance to the individual's eligibility or benefit, and what action the agency will take in the event the individual fails to respond to the letter.
3. If the SPAA intends to reduce, suspend, terminate or deny benefits as a result of information provided from the match, the SPAA must provide notice and the opportunity to respond at a hearing in accordance with 42 CFR 431.200-250 for the Medicaid Program, 7 CFR 273.15 for the Supplemental Nutrition Assistance Program, and state-established procedures for the TANF Program.

4. Written notices provided by the SPAA to each public assistance recipient who may be the subject of adverse action will be advised that he or she has thirty (30) days in which to respond to the information being provided by the SPAA. However, where relevant program statute(s) or regulation(s) establish a time period other than thirty (30) days for an individual to respond to a notice proposing an adverse action, the SPAA may substitute such other time period. In addition, each individual who may be the subject of adverse action will be further advised that unless a response is received within thirty (30) days of the date on which the written notice is mailed or otherwise provided to the individual, (or within the specified time period provided by program statute(s) or regulation(s)), the SPAA will infer the information provided to the individual is accurate and correct and will take appropriate action. Appropriate action may include adjustment to, or termination of the public assistance benefit; initiation of action to collect any overpayments made; and/or possible instituting of administrative and/or judicial action against the individual.
5. The SPAA will make all final determinations and take action as is considered warranted and appropriate.

VI. DISPOSITION OF MATCHED ITEMS

DMDC will not retain matched items except as necessary to monitor implementation or results of this matching program or as required by law. The SPAA will retain the identifiable records (hits) received from DMDC only for the time period required for any processing related to the matching program and then destroy the records unless the information must be retained in individual file folders to meet evidentiary requirements. In the latter instance, the SPAA will retire identifiable records in accordance with state law or regulation. Information about individuals verified as "non-hits" (record subjects who are not both federal personnel and public assistance beneficiaries) will be destroyed immediately upon such verification.

VII. SECURITY PROCEDURES

DMDC and the SPAA agree to comply with federal security and safeguarding requirements, including the Privacy Act, as amended, Federal Information Security Modernization Act (FISMA) of 2014, the E-Government Act of 2002, OMB Memorandum M-17-12, and the National Institute of Standards and Technology (NIST) directives in the special publications (SP) 800 series (e.g., NIST SP 800-53, Rev 4, and NIST SP 800-37, Rev 1). Specific security requirements include, but are not limited to, the following:

1. Each agency shall establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records; 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 authorized employees and officials requiring them 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, to include ensuring 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 to protect the data (e.g., password protocols, encryption, etc.) if the portable devices storing the data (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 transported and processed under the immediate supervision and control of authorized personnel in a manner to protect the confidentiality of the records, and in such a manner to prevent unauthorized persons from retrieving any such records by means of computer, remote terminal or other means.
6. All personnel with access to the records matched and to any records created by the match will receive notification of the confidential nature of the information and the civil and criminal sanctions for noncompliance in applicable federal laws.
7. DMDC and the SPAA will comply with the personally identifiable information breach reporting and security requirements as required by M-17-12, "Preparing for and Responding to a Breach of Personally Identifiable Information (PII)." DMDC and the SPAA 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 National Cybersecurity and Communications Integration Center/United States Computer Emergency Readiness Team (NCCIC/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.
8. The agency experiencing the loss of PII will notify the other agency's Systems Security Contact named in Section XIII of this computer matching agreement (CMA). If DoD is unable to speak with the SPAA Systems Security Contact within one hour, or if for some other reason notifying the SPAA Systems Security Contact is not practicable (e.g., it is outside of the normal business hours), DoD will contact the SPAA Program Contact provided on the SPAA signature page. If the SPAA is unable to speak with DoD System Security Operations System within one hour, the SPAA will contact DMDC at: dodhra.dodc-mb.dmdc.list.ir-team@mail.mil.

9. If the agency experiencing the breach of PII determines the risk of harm to affected individuals or to the agency requires notification to affected individuals and/or other remedies, they will carry out the remedies and assume all costs of the remediation.
10. ACF and DMDC may conduct on-site inspections of SPAA facilities or make other provisions to ensure the retention of adequate safeguards by participating SPAAs. The parties agree to make available to each other, upon request, system security evidence for the purpose of making risk-based decisions. Requests for this information may be made by any party at any time throughout the duration of this CMA.

VIII. RECORDS USAGE, DUPLICATION AND REDISCLOSURE RESTRICTIONS

DMDC and the SPAA each agree to the following limitations on the access to, and disclosure and use of, electronic files, e.g., tapes, and information provided by the other agency:

1. The electronic files provided as part of the matching program will remain the property of the agency furnishing the files and will be destroyed after the matching program is completed, and in any event no later than six (6) months after furnishing the electronic file. Destruction will be accomplished by electronic erasure, degaussing, or other means of destruction appropriate to digital records.
2. The data supplied by each agency and the records created by the match will be used solely for the purposes of, and to the extent necessary in the administration of, the matching program covered by this agreement and any applicable laws.
3. The files 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.
4. The files provided by each agency will not be duplicated or disseminated within or outside the agency without the written authority of the agency furnishing the data. No agency shall give such permission unless the re-disclosure is required by law or essential to the conduct of the matching program.
5. If DoD records used in this matching program (i.e., Privacy Act records), are required to be disclosed to a SPAA contractor in order to accomplish the matching program's purpose, the SPAA (as applicable) will obtain the written agreement of its contractor to abide by the terms of this agreement.
6. Information resulting from the matching program may be disclosed for follow-up and verification or for civil or criminal law enforcement investigation or prosecution if the match uncovers activity warranting such action.

7. DMDC will not create a separate permanent file consisting of information regarding those individuals involved in the matching program covered by this agreement except as necessary to monitor the results of the matching program.
8. DMDC and SPAAs will keep an accurate accounting of disclosures from an individual's record as required by subsection (c) of the Privacy Act 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.

IX. RECORDS ACCURACY ASSESSMENTS

DMDC data is obtained directly from the Service system from which the sponsor is affiliated. DMDC is diligent in withholding or flagging any records which might appear problematic and any records not matching on two data elements (i.e., name and SSN) prior to inclusion in the DMDC Data Base (DMDC 01). DMDC currently estimates the accuracy of the information to be at least 99%.

Information used by SPAAs in this matching program is provided by the public assistance client when applying for public assistance benefits. Experience by SPAAs shows these records to be at least 82% accurate.

X. COMPTROLLER GENERAL ACCESS

The Comptroller General of the United States (U.S. Government Accountability Office) may have access to any records, as necessary, in order to monitor and verify compliance with this agreement.

XI. REIMBURSEMENT/FUNDING

DMDC currently does not intend to seek reimbursement, but reserves the right to recover future personnel and computer costs for conducting the quarterly match. In such cases, ACF will be notified ninety (90) days in advance so it may initiate, should it wish to do so, action to terminate the agreement because of the proposed future charges.

XII. DURATION OF THE AGREEMENT

Effective Date: The effective date of this agreement is February 1, 2019, provided the DoD reported the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and (r) and OMB Circular A-108 and, upon completion of their advance review period, DoD published notice of the matching program in the

Federal Register for a minimum of thirty days as required by 5 U.S.C. 552a(e)(12). In the event such a thirty (30) day notice period does not occur by February 1, 2019, the effective date of this agreement shall be the first day after such 30-day notice period occurs.

The parties may, within three (3) months prior to the expiration of this agreement, renew this agreement for a period not to exceed one additional year if they certify the following to the DoD DIB:

1. The matching program will be conducted without change; and
2. The parties conducted the matching program in compliance with this agreement.

Modification: The parties may modify this agreement at any time by a written modification, mutually agreed to by the parties. The proposed modified agreement must be reviewed by DoD counsel to determine if the change is significant and requires a new agreement.

Termination: This agreement may be terminated at any time upon the mutual written consent of the parties. A party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination date shall be effective ninety (90) days after the date of the notice or at a later date specified in the notice, provided this date does not exceed the approved duration for the agreement. A copy of this notification should be submitted to the Secretary, DoD DIB.

XIII. PERSONS TO CONTACT

A. DoD contacts:

DMDC Program Contacts:

Agreement:
Cheryl B. Jenkins
Management Analyst
DPCLTD
4800 Mark Center Drive, Box 24
Alexandria, VA 22350-1700
Telephone: (703) 571-0070
Email: cheryl.d.jenkins8.civ@mail.mil

DMDC Privacy Contact:

Kim Pearman
Privacy Analyst
Defense Manpower Data Center
Telephone: (831) 583-2400x4660

Email: kimberly.v.pearman.civ@mail.mil

DMDC Project Manager:

Portia A. M. Gilliam

IT Specialist

Defense Manpower Data Center

Telephone: (571) 372-1152

Email: portia.a.gilliam.civ@mail.mil

System Security Contact:

Jacqueline Ray

Information System Security Officer

Defense Manpower Data Center

Telephone: (831) 583-2400 x4522

Email: jacqueline.n.ray.civ@mail.mil

B. ACF contacts:

ACF Program Contact:

Thomas Miller

330 C Street, SW

Switzer Building, Room 4521C

Washington, DC 20024

(202) 401-7237

HHS Privacy Act Contact:

Beth Kramer

HHS Privacy Act Officer

FOIA/Privacy Act Division (OS/ASPA)

200 Independence Avenue, SW, Suite 729H

Washington, DC 20201

Telephone: (202) 690-6941

Email: beth.kramer@hhs.gov

C. SPAA contacts:

See SPAA signature page.

C. SPAA contacts:
See SPAA signature page.

XIV. APPROVALS

A. DMDC Program Official

The authorized program official, whose signature appears below, accepts and expressly agrees to all the terms and conditions included herein, confirms no verbal agreements of any kind shall be binding or recognized, and hereby commits DMDC to the terms of this agreement.

SORRENTO.MICHAEL.V.1399639162
EL.V.1399639162

Digitally signed by
SORRENTO.MICHAEL.V.1399639162
Date: 2018.11.29 17:29:40 -05'00'

Michael V. Sorrento
Director
Defense Manpower Data Center
Department of Defense
4800 Mark Center Drive
Suite 04E25
Alexandria, VA 22350

Date

(XIV. APPROVALS, CONT'D)

B. Defense Data Integrity Board

The signature of the official below signifies the collective approval of The Defense Data Integrity Board after reviewing and finding that this agreement complies with applicable statutory and regulatory guidelines.

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

Date

(XIV. APPROVALS, CONT'D)

C. Program Official for ACF

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 ACF to the terms of this agreement.



2018.11.29 18:21:29
-05'00'

Naomi Goldstein
Deputy Assistant Secretary for Planning,
Research, and Evaluation
Administration for Children and Families
330 C Street, SW
Switzer Building, 4th Floor
Washington, DC 20024

Date

(XIV. APPROVALS, CONT'D)

D. Program Official for SPAA

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 the below-named State Public Assistance Agency (SPAA) to the terms of this agreement.

[State Public Assistance Agency Name]

Contact Persons for section XIII. of this agreement:

Program Contact:

Name: _____
Title and office: _____
Address: _____
Telephone number: _____

System Security Contact:

Name: _____
Title and office: _____
Address: _____
Telephone number: _____

Name
Title and Office

Date

Attachments

1. State Public Assistance Agencies (SPAAs)
2. Cost-Benefit Analysis
3. Data Elements
4. DMDC 01 System of Records Notice

Attachment 1

State Public Assistance Agencies (SPAAs)³

1. Alabama Medicaid Agency
2. Alaska Department of Health and Social Services
3. Arizona Health Care Cost Containment System – Medicaid Agency
4. Arkansas Department of Human Services
5. California Department of Health Care Services
6. Colorado Department of Human Services
7. Connecticut Department of Social Services
8. Delaware Health and Social Services
9. District of Columbia Department of Human Services
10. Florida Department for Children and Families
11. Georgia Department of Human Services
12. Hawaii Department of Human Services
13. Idaho Department of Health and Welfare
14. Illinois Department of Human Services
15. Indiana Family and Social Services Administration
16. Iowa Department of Human Services
17. Kansas Department for Children and Families
18. Kentucky Cabinet for Health and Families Services
19. Louisiana Department of Children and Family Services
20. Maine Department of Health and Human Services
21. Maryland Department of Human Resources
22. Massachusetts Department of Transitional Assistance – Human Services
23. Michigan Department of Health and Human Services
24. Minnesota Department of Human Services
25. Mississippi Department of Human Services
26. Missouri Department of Social Services
27. Montana Department of Public Health and Human Services
28. Nebraska Department of Health and Human Services
29. Nevada Department of Health and Human Services
30. New Hampshire Department of Health and Human Services
31. New Jersey Department of Human Services
32. New Mexico Human Services Department
33. New York State Office of Temporary and Disability Services
34. North Carolina Department of Health and Human Services
35. North Dakota Department of Human Services
36. Ohio Department of Job and Family Services
37. Oklahoma Department of Human Services
38. Oregon Department of Human Services
39. Pennsylvania Department of Human Services
40. Puerto Rico Department of Health
41. Rhode Island Department of Human Services

³ SPAAs that choose to participate in this matching program will execute the signature page provided in Section XIV. D. of the agreement.

42. South Carolina Department of Health and Human Services
43. South Dakota Department of Social Services
44. Tennessee Department of Human Services
45. Texas Health and Human Services Commission
46. Utah Department of Workforce Services
47. Vermont Agency of Human Services
48. Virginia Department of Social Services
49. Washington State Health Care Authority
50. West Virginia Department of Health and Human Resources
51. Wisconsin Department of Health and Family Services
52. Wyoming Department of Health

Attachment 2

COST BENEFIT ANALYSIS OF COMPUTER MATCHING AMONG THE DEPARTMENT OF VETERANS AFFAIRS; THE DEPARTMENT OF DEFENSE, DEFENSE MANPOWER DATA CENTER; THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES; AND STATE PUBLIC ASSISTANCE AGENCIES (SPAAs), FOR VERIFYING PUBLIC ASSISTANCE CLIENT CIRCUMSTANCES AND DEBT COLLECTION

A. BACKGROUND

Since 1993, ACF has been working with SPAAs and other federal agencies to develop information-sharing projects that have proven useful in verifying public assistance client circumstances. This work constitutes the Public Assistance Reporting Information System (PARIS). Under PARIS, ACF seeks to identify information-sharing opportunities and lead and coordinate the activities required to take advantage of these opportunities. As a result, ACF has provided SPAAs with information from the Department of Veterans Affairs (VA) compensation and pension payment records as well as interstate public assistance benefit payments.

Since August 1999, the Defense Manpower Data Center (DMDC) has been providing computer resources to support the development and operation of PARIS information exchange initiatives. In addition, DMDC made federal benefit and earnings data files available to ACF and SPAAs for statistical matching purposes. This cost benefit analysis (CBA) supports computer matching agreements allowing SPAAs to receive information from the DMDC and VA data. The SPAAs will use this information to verify public assistance client reporting of income and benefit circumstances for the purposes of making more accurate determinations of program eligibility and recouping erroneous payments.

B. BENEFITS

Direct Benefits: Savings attributable to detecting unqualified clients.

- Denial of benefits to unqualified applicants, avoiding improper payments
- Cessation of benefits to unqualified recipients, avoiding improper payments
- Recovery of improper payments made to unqualified recipients

Computer matches are an effective way for states to verify the income circumstances of applicants and ensure payments and services are not provided to ineligible applicants. Results of previous DMDC, VA and SPAA data file statistical matches indicate that information from PARIS matching programs enables states to recoup a substantial amount of funds paid to recipients not qualified for benefits and stop payments and services to unqualified recipients. This analysis focuses on the latter, avoiding improper payments, which is the most significant and immediate benefit to the states.

Indirect Benefits: Greater Public Confidence and Program Support.

Automation promotes cost efficiencies and program integrity, increasing the taxpaying public's confidence in and support for these public assistance programs. Reductions in erroneous payments and increased collections enable states and the Federal Government to devote dollars

to intended recipients.

All fifty states, the District of Columbia, and Puerto Rico participate in PARIS. Comparative data for the four previous quarterly matches shows the following substantial match activity:

August 2018:

File	SSNs submitted	Matched SSNs
Interstate (51 states)	67,113,342	603,1155
Veterans (38 states)	9,098,732	385,617
Federal (44 states)	9,247,604	62,407
Total matched SSNs		1,051,179

May 2018:

File	SSNs submitted	Matched SSNs
Interstate (45 states)	65,478,597	563,326
Veterans (34 states)	9,004,569	340,835
Federal (35 states)	11,230,678	70,612
Total matched SSNs		974,773

Feb 2018:

File	SSNs submitted	Matched SSNs
Interstate (49 states)	71,428,973	618,949
Veterans (45 states)	8,908,310	427,898
Federal (35 states)	11,341,098	75,609
Total matched SSNs		1,122,456

Nov 2017:

File	SSNs submitted	Matched SSNs
Interstate (50 states)	65,461,419	553,611
Veterans (42 states)	8,815,613	399,480
Federal (41 states)	11,322,110	85,589
Total matched SSNs		1,038,680

The August 2018 federal file breakdown was:

<u>FILENAME</u>	<u># of SSNs Submitted</u>
DoD Civilian Personnel	732,079
DoD Civilian Pay	764,610
Active Duty Personnel	1,340,374
Military Active Duty	1,334,635
Military Reserve Pay	978,085
Reserve Personnel	1,259,240
Non-Appropriated Fund Civilian	123,300

Military Retired Pay	2,379,471
Military Retiree survivor Pay	335,810
Total SSNs Submitted	9,247,604

In 2007, ACF contracted with Altarum Institute (Altarum) to conduct a cost-benefit analysis of PARIS. The study’s purpose was to develop and populate cost-benefit models for possibly assessing the potential impact of PARIS on state program expenditures and integrity. The PARIS Cost-Benefit Analysis Final Report is posted on the PARIS website.

The diversity of states’ approaches to PARIS, combined with a lack of tracking results, made it difficult to create a single uniform approach to calculating PARIS costs and benefits. However, models were developed to allow states to use a consistent approach to calculating costs and benefits for specific PARIS activities, such as managing clients moving from one state to another but not reporting the move, or clients not reporting income from federal sources.

The analysis’ conclusion is, at a national-level, the PARIS project will produce a positive return on investment (ROI), and this conclusion appears robust under varying conditions designed to test the sensitivity of these results and to more accurately reflect the current scope of PARIS activities. National-level cost benefit results are presented in terms of ROI and in terms of actual net savings for each file and program, as well as overall savings. Sensitivity analysis is used to test the impact of assumptions about the time required to work a match, the percent of cases closed due to PARIS matches, and the number of states actually conducting follow-up investigations of PARIS matches.

Table of Costs and Benefits assuming 100 percent closure rate on match hits:

National Cost Total (Per Year, 4 Cycles Per Year):

	Nov 07	Feb 08	May 08	Aug 08	Total
All	\$945,320	\$791,088	\$758,847	\$1,224,921	\$3,720,177

National Benefit Total (Per Year; 4 Cycles Per Year):

	Nov 07	Feb 08	May 08	Aug 08	Total
SNAP	\$ 4,458,013	\$ 3,710,736	\$ 3,879,230	\$ 7,574,655	\$ 19,622,634
TANF	\$ 304,359	\$ 369,878	\$ 344,617	\$ 608,859	\$ 1,627,712
Medic.	\$58,768,122	\$34,163,321	\$34,647,426	\$72,597,800	\$200,176,669
	\$63,530,495	\$38,243,935	\$38,817,272	\$80,781,314	\$221,427,015

Although a similar systemic study has not been conducted in recent years, ACF estimates the current benefits of PARIS are at least as large as the 2007 estimate of \$221 million.

For most states, ongoing costs of PARIS operations are not commonly tracked, as most states incorporate PARIS activities into a more general, higher-level compliance activity. None of the states included in the analysis have a tracking system to allow one to track costs specifically to PARIS activities. However, some states were able to provide more recent estimates of the necessary time to create the files, submit the match, and filter and distribute the results.

These estimates were averaged to approximate the annual costs per state, which are: systems processing cost of \$8,000 annually (if submitting for all four quarters), annual program specialist cost of \$22,265, administrative and supervisory cost of \$10,810 annually, and state costs to close

each case (secondary verification, notice, hearings and appeals, etc.) for a total average of \$71,541.87 per state per year times 52 (50 states, District of Columbia and Puerto Rico) totals \$3,720,177 million. These are assumed fixed costs for each state, the costs from investigating the matches will vary with the number of matches returned to states resulting in a higher national cost total cited above.

It is important to note, improper payments avoided by the Medicaid Program would accrue to the states, savings from the TANF program would accrue to both the states and the Federal Government, and savings from the SNAP would generally accrue to the Federal Government.

Success stories of states currently participating in the PARIS program located on the PARIS website cite the following experiences with the PARIS Project with regard to benefits accrued from their program participation

New York State, in State Fiscal Year 2017 (April 2017 through March 2018), closed or removed active individuals from 8,923 Public Assistance (PA) cases identified on the PARIS Match. The cost savings for these individuals was \$58,006,860.

These savings are calculated by determining the average annual cost of an individual in each of the following case types - Federally funded TANF PA cases (which can include Medicaid and SNAP Benefits), New York funded Safety Net PA cases (which can include Medicaid and SNAP Benefits), and SNAP Only cases. We track the number of individuals closed by the PARIS Match for each of these case types. To obtain an annual cost savings for each case type, we simply multiply the number of closed individuals by the annual average cost savings for the case type. The sum of those calculations is the total annual savings for the fiscal year of over \$58,000,000.

The breakdown of 2017's annual cost savings is as follows: \$35,464,020 in PA (includes SNAP and Medicaid Benefits issued through PA cases, TANF and New York funded Safety Net PA cases), and \$22,542,840 in SNAP Only cases. These figures do not include Medicaid only cases.

Pennsylvania has participated in the PARIS Interstate and VA Matches since their inception. The results speak for themselves:

The following results are for the PARIS Interstate Match from 1997 to 2017:

- 407,117 matches have been loaded and 81,903 or 20% are closed.
- Total cost avoidance savings are estimated to be \$263 million dollars.
- The average savings per match closed was \$3,212.

The following results are for the PARIS Veterans Match 1998 to 2017:

- 98,334 were loaded and 12,346 resulted in closed or reduced benefits.
- Total annualized savings are estimated to be \$56.2 million dollars.
- The average savings per match closed or reduced was \$4,556.

Total estimated annualized savings due to PARIS matches is \$319.2 million.

Washington State Veterans Benefit Enhancement Program (VBE) focuses on low-income U.S. military veterans and their families relying on Medicaid, and may not realize their eligibility for comprehensive federal care and benefits programs to provide better benefits while preserving their homes and financial assets. The VBE staff embarked on a pioneering effort using available federal data provided by PARIS to connect Medicaid recipients with their federal veteran's benefits.

Washington began its efforts in 2002, focusing on long-term care beneficiaries, most of them in nursing homes, and working in partnership with the Washington State Department of Veterans Affairs. Since then, the state program became a national model and best practice for using PARIS veteran's data with 32 other states establishing similar efforts.

The program is of benefit to veterans and results in redirection of Medicaid funding to others in need. The program is committed to building upon the over \$83 million in savings since 2004 and benefitted over 60,000 Washington veterans and families.

During the State Fiscal Year (SFY) 2018, through Veterans Benefit Enhancement efforts the State Department of Veterans Affairs reported medical cost avoidance of \$8.5 million.

C. COSTS

DOD/DMDC COSTS:

Routine Automated Matching:

A Program Manager GS-13/10 grade level at \$60.40 (\$28.22 locality) per hour receives the states' submissions. The data is then run through a series of programs to match the SSN and create output files for each match (Interstate, Veterans, and Federal) and each participating state. This process takes approximately six (6) weeks from start to finish. The six (6) weeks include the connectivity setup, responding to questions, the receiving of the files, processing the files and transmitting the matches to the SPAAs. It also includes all the follow up actions upon the transmission of the files.

A Flint Technician GS12/10 grade level at \$52.35 (\$26.50 locality) per hour responds to connectivity issues and set up of connection to and from DMDC. This process takes approximately 1.5 weeks from start to finish.

Program Manager cost: \$21,268.80 + Flint Technician cost: \$4731.00 = \$25,999.80

Cost per quarterly match- \$25,999.80

Miscellaneous Development and Programming Tasks:

Periodically, a computer program must be written or modified to maintain/update match programs. With analysis, testing and audit, if necessary, costs for several episodes are as indicated.

One-time annual cost = \$2,890.00.

$\$2,890.00 / 4 = \722.50

Cost per quarterly match- \$722.50

Preparation of Matching Agreement:

Any preparations, negotiations, reviews, and concurrences are handled by various levels within the DMDC.

This consumes at least 62.5 hours of work at an average GS-14/6 grade level at \$64.06 per hour. The agreement will last for thirty (30) months (18 months original and 12 month extension), therefore the cost is spread out over approximately ten (10) matches.

$$\$4003.75 / 10 = \$400.38$$

Cost per quarterly match- \$400.38

Computer Processing:

The computer being used for the processing of the PARIS match is located at the Naval Postgraduate School in Monterey, California. The primary usage for this mainframe computer is to process other DoD applications not related to the PARIS match. DMDC will not keep any data submitted by the states, and will discard the data as prescribed in the Computer Matching Agreement negotiated by the Defense Privacy Civil Liberties Transparency Division (DPCLTD).

Costs for the computer processing are \$16,573.50 per quarterly match.

(CPU based on: 52 states for Interstate = 127 min., 52 states for Veteran = 127 min., and 52 states for Federal = 127 min @ \$43.50 per min)

$$\$43.50 * 381 \text{ minutes} = \$16,573.50$$

Cost per quarterly match- \$16,573.50

Cost Summary:

- Total DMDC cost per quarterly match = \$43,696.18 / 1,051,179 projected individual cases = \$.04 per case (per state match found based on August 2018 Interstate = 603,155; Veterans = 385,617 and Federal = 62,407).
 - Total DMDC cost per year = \$43,696.18 * 4 matching cycles per year = \$174,784.72
1. Total DMDC cost per year = \$174,784.72
 2. Total DMDC cost per quarterly match = \$43,696.18
 3. Total DMDC cost per case = \$.04

VA COSTS:

Preparation of Matching Agreement:

Any preparations, negotiations, reviews, and concurrences are handled by various levels within the VA. This consumes at least twenty (20) hours of work at an average GS-14/6 grade level at \$64.06 per hour. The agreement will last for thirty (30) months (18 months original and 12 month extension), therefore the cost is spread out over approximately ten (10) matches.

$$\$1,281.20 / 10 = \$128.12$$

Cost per quarterly match- \$128.12

Data File Processing:

The Veterans data file is compiled at the VA's Hines Data Center and transmitted to DMDC on a quarterly basis. This consumes at least twenty (20) hours of work at an average GS-13/6 grade level at \$54.21 per hour.

$\$1,084.20 * 4 = \$4,336.80$

Cost per quarterly match- \$4,336.80

Cost Summary:

- Total VA cost per quarterly match= $\$1,212.32 / 385,617$ projected individual cases = less than \$.01 per case (per state match found based on August 2018 Veterans = 385,617)

- Total VA cost per year = $\$1,212.32 * 4$ matching cycles per year = \$4,849.28

1. Total VA cost per year = \$4,849.28

2. Total VA cost per quarterly match = \$1,212.32

3. Total VA cost per case = \$.01

ACF COSTS:

Preparation of Matching Agreements:

The Department of Defense and Department of Veterans Affairs Computer matching agreements are handled and reviewed by numerous ACF employees. ACF will assume the preparation, negotiations, reviews, and concurrence by various levels within the ACF as well as the Office of General Counsel and the Data Integrity Board members and staff consume at least two hundred (200) hours of work at an average GS-14/6 grade level at \$64.06 per hour. The agreement will last for thirty (30) months (18 months original and 12 month extension), therefore, the cost is spread out over approximately ten (10) matches.

$\$12,812.00 / 10 = \$1,281.20$

Cost per quarterly match- \$1,281.20

PARIS Coordinator:

A GS-14/6 Management Analyst spends about 30% of their time coordinating PARIS activities. Each cycle would be \$9,993.36. There are four (4) cycles in a year.

Cost Summary:

- Total ACF cost per quarterly match = $\$11,274.56 / 1,051,179$ projected individual cases = less than \$.01 per case (per state match found based on August 2018 Interstate = 603,155; Veterans = 385,617 and Federal = 62,407)

- Total ACF cost per year = $\$11,274.56 * 4$ quarterly matches per year = \$45,098.24

1. Total ACF cost per year = \$45,098.24

2. Total ACF cost per quarterly match = \$11,274.56

3. Total ACF cost per case = \$.01

Overall Costs:

Average state cost to close a case (secondary verification, notice, hearings and appeals, etc.) is estimated at \$500. Average DoD, VA and ACF cost per case is \$.06, for a total of \$500.06. This amount is insignificant when compared to the estimated savings illustrated above from the states cited.

Alternatives:

The alternatives to computer matching are far more expensive and, in most cases, impractical. Manual comparison of millions of payroll and retirement records with state records would take an enormous amount of human resources and time.

COST BENEFIT ANALYSIS FOR PARIS COMPUTER MATCHING PROGRAMS

Costs:

1. Personnel costs & 2. Computer costs:

- A. Agencies: **Total for All State and Federal Agencies, Per Year: \$3,944,915.72 (Per Case: \$500.06)**
 - Source (52 SPAAs): Per Year for Each State: \$71,542 (Per Case: \$500)
 - Recipient (DOD/DMDC): Per Year: \$174,784.72 (Per Case: \$.04)
 - Facilitating Agency (HHS/ACF): Per Year: \$45,098 (Per Case: \$.01)
 - VA: Per Year: \$4,849 (Per Case: \$.01)
 - Justice System Agencies: unknown
- B. Public Assistance Clients and Third Parties Assisting Them (e.g., in contesting match errors/correcting erroneous information): unknown
- C. General Public: unknown

Benefits:

2. Avoidance of future improper payments:

- A. Agencies:
 - Source (SPAAs): **Total for All State Agencies, Per Year: \$221,427,015**
 - Recipient (DOD/DMDC): N/A
 - Facilitating Agency (HHS/ACF): N/A
 - VA: N/A
 - Justice System Agencies: unknown
- B. Public Assistance Clients: improved service delivery to clients by using computer matching instead of a manual process to determine eligibility; increased resources and less participation stigma for intended program beneficiaries, due to screening out improper beneficiaries
- C. General Public: increased public support for and confidence in the public assistance programs benefitted by the matching program; savings to taxpayers resulting from improved program integrity and efficiency

3. Recovery of improper payments and debts: no data developed, because it would be insignificant compared to the improper payments avoided

Attachment 3

PARIS FEDERAL OUTPUT RECORD FORMAT

STARTING February 2018

<u>DATA ELEMENT</u>	<u>POSITION</u>	<u>LENGTH</u>	<u>TYPE</u>
SSN	001-009	9	character
STATE DATA (<i>SEE BELOW</i>)	010-129	120	character
RECORD TYPE	130-131	2	character
FILE DATE	132-137	6	character
DATE OF BIRTH	138-145	8	numeric
LAST NAME	146-171	26	character
FIRST NAME	172-186	15	character
MIDDLE NAME	187-201	15	character
SUFFIX NAME	202-205	4	character
SEX	206-206	1	character
GROSSPAY	207-215	9.2	numeric
UNIT ID CODE (UIC)	216-223	8	character
AGENCY	224-227	4	character
PAY PLAN	228-229	2	character
PAY GRADE	230-233	4	character
PAY STEP	234-235	2	numeric
BASIC SALARY	236-244	9.2	numeric
STATE RESIDENCE	245-246	2	character
FEDERAL TAXABLE WWAGES	247-255	9	numeric
FEDERAL TAX WITHHELD	256-264	9	numeric
STATE TAXABLE WAGES	265-273	9	numeric
STATE TAX WITHHELD	274-282	9	numeric
EMPLOYEE STATUS CODE	283-322	40	character
PAYROLL OFFICE NUMBER	323-362	40	character
PERSONNEL OFFICE ID	363-366	4	character
PAY BASIC CODE	367-368	2	character
PAY PERIOD END DATE (YYYYMMDD)	369-376	8	numeric
DISBURSING DATE (YYYYMMDD)	377-384	8	numeric
PAY STATUS	385-385	1	character
CATAGORY CODE	386-386	1	character
TOTAL BASE PAY ALL DRILLS	387-395	9	numeric
MARITAL STATUS CODE	396-396	1	character
DEPENDENTS QUANTITY	397-398	2	numeric
OFF DUTY MILITARY CODE	399-399	1	character
WELFARE TO WORK HIRE CODE	400-400	1	character
CITY	401-413	13	character
STATE	414-415	2	character
ZIP	416-424	9	character

PARIS FEDERAL OUTPUT RECORD FORMAT

<u>DATA ELEMENT</u>	<u>POSITION</u>	<u>LENGTH</u>	<u>TYPE</u>
ADDRESS LINE 1	425-451	27	character
ADDRESS LINE 2	452-478	27	character
ADDRESS LINE 3	479-500	22	character
ADDRESS LINE 4	501-522	22	character
ADDRESS LINE 5	523-544	22	character
ADDRESS LINE 6	545-566	22	character
MAILING ADDRESS EFFECTIVE	567-572	6	numeric
CLAIM NUMBER	573-581	9	character
RETIRED PAY ENTITLMT EFFECTIVE	582-589	8	numeric
COMMENT1	590-728	139	character
COMMENT2	729-955	227	character
COMMENT3	956-1091	136	character
COMMENT4	1092-1309	218	character
MBRSSN	1310-1318	9	character

STATE DATA (1-129)

SSN	01-09	9	
LAST NAME	10-24	15	
FIRST NAME	25-39	15	
DATE OF BIRTH	40-47	8	
FILLER/BLANK	48-48	1	
FILE DATE	49-54	6	
STATE NAME	55-56	2	
OPTIONAL	57-116	60	
LOCATION CODE	117-119	3	
CASE NUMBER	120-129	10	

Attachment 4

DMDC 01

SYSTEM NAME:

Defense Manpower Data Center Data Base (November 23, 2011, 76 FR 72391)

SYSTEM LOCATION:

Naval Postgraduate School Computer Center, Naval Postgraduate School, Monterey, CA 93943-5000.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

All Army, Navy, Air Force, Marine Corps, and Coast Guard officer and enlisted personnel who served on active duty from July 1, 1968, and after or who have been a member of a reserve component since July 1975 (hereafter the "Armed Forces"); retired Armed Forces personnel; active and retired members of the commissioned corps of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service (PHS) (with Armed Forces above, hereafter referred to as the "Uniformed Services"). All individuals examined to determine eligibility for military service at an Armed Forces Entrance and Examining Station from July 1, 1970, and later.

Current and former DoD civilian employees since January 1, 1972. Veterans who used the Veterans Education Assistance Program (VEAP) from January 1977 through June 1985.

Participants in the Department of Health and Human Services National Longitudinal Survey.

Survivors of retired Armed Forces personnel who are eligible for or currently receiving disability payments or disability income compensation from the Department of Veteran Affairs; surviving spouses of active or retired deceased Armed Forces personnel; 100% disabled veterans and their survivors; and survivors of retired officers of NOAA and PHS who are eligible for, or are currently receiving, Federal payments due to the death of the retiree.

Individuals receiving disability compensation from the Department of Veteran Affairs or who are covered by a Department of Veteran Affairs' insurance or benefit program; dependents of active and retired members of the Uniformed Services, selective service registrants.

All Federal civilian retirees.

All non-appropriated funded individuals who are employed by the Department of Defense. Individuals who were or may have been the subject of tests involving chemical or biological human subject testing; and individuals who have inquired or provided information to the Department of Defense concerning such testing.

Individuals who are authorized web access to DMDC computer systems and databases.

CATEGORIES OF RECORDS IN THE SYSTEM:

Computerized personnel/employment/pay records consisting of name, Service Number,

Selective Service Number, Social Security Number (SSN), DoD Identification Number, citizenship data, compensation data, demographic information such as home town, age, sex, race, and educational level; civilian occupational information; performance ratings of DoD civilian employees and military members; reasons given for leaving military service or DoD civilian service; civilian and military acquisition work force warrant location, training and job specialty information; military personnel information such as rank, assignment/deployment, length of service, military occupation, aptitude scores, post-service education, training, and employment information for veterans; participation in various in-service education and training programs; date of award of certification of military experience and training; military hospitalization and medical treatment, immunization, and pharmaceutical dosage records; home and work addresses; and identities of individuals involved in incidents of child and spouse abuse, and information about the nature of the abuse and services provided. CHAMPUS claim records containing enrollee, patient and health care facility, provided data such as cause of treatment, amount of payment, name and Social Security or tax identification number of providers or potential providers of care.

Selective Service System registration data.

Primary and secondary fingerprints of Military Entrance Processing Command (MEPCOM) applicants.

Department of Veteran Affairs disability payment records. Credit or financial data as required for security background investigations.

Criminal history information on individuals who subsequently enter the military.

Extract from Office of Personnel Management (OPM) OPM/CENTRAL-1, Civil Service Retirement and Insurance Records, including postal workers covered by Civil Service Retirement, containing Civil Service Claim number, date of birth, name, provision of law retired under, gross annuity, length of service, annuity commencing date, former employing agency and home address. These records provided by OPM for approved computer matching.

Non appropriated fund employment/personnel records consist of Social Security Number (SSN), name, and work address.

Military drug test records containing the Social Security Number (SSN), date of specimen collection, date test results reported, reason for test, test results, base/area code, unit, service, status (active/reserve), and location code of testing laboratory.

Names of individuals, as well as DMDC assigned identification numbers, and other user-identifying data, such as organization, Social Security Number (SSN), email address, phone number, of those having web access to DMDC computer systems and databases, to include dates and times of access.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

5 U.S.C. App. 3 (Pub.L. 95-452, as amended (Inspector General Act of 1978)); 10 U.S.C. 136, Under Secretary of Defense for Personnel and Readiness; 10 U.S.C. 1562, Database on Domestic Violence Incidents; 20 U.S.C. 1070(f)(4), Higher Education Opportunity Act; Pub.L. 106-265, Federal Long-Term Care Insurance; 10 U.S.C. 2358, Research and Development Projects; and E.O. 9397 (SSN), as amended.

PURPOSE(S):

The purpose of the system of records is to provide a single central facility within the

Department of Defense to assess manpower trends, support personnel and readiness functions, to perform longitudinal statistical analyses, identify current and former DoD civilian and Armed Forces personnel for purposes of detecting fraud and abuse of pay and benefit programs, to register current and former DoD civilian and Armed Forces personnel and their authorized dependents for purposes of obtaining medical examination, treatment or other benefits to which they are qualified.

To collect debts owed to the United States Government and state and local governments. Information will be used by agency officials and employees, or authorized contractors, and other DoD Components in the preparation of studies and policy as related to the health and well-being of current and past Armed Forces and DoD-affiliated personnel; to respond to Congressional and Executive branch inquiries; and to provide data or documentation relevant to the testing or exposure of individuals. Armed Forces drug test records will be maintained and used to conduct longitudinal, statistical, and analytical studies and computing demographic reports. No personal identifiers will be included in the demographic data reports. All requests for Service specific drug testing demographic data will be approved by the Service designated drug testing program office. All requests for DoD wide drug testing demographic data will be approved by the DoD Coordinator for Drug Enforcement Policy and Support, 1510 Defense Pentagon, Washington, DC 20301-1510.

DMDC web usage data will be used to validate continued need for user access to DMDC computer systems and databases, to address problems associated with web access, and to ensure that access is only for official purposes.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act of 1974, these records may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

1. To the Department of Veteran Affairs (VA):
 - a. To provide Uniformed Service personnel and pay data for present and former Uniformed Service personnel for the purpose of evaluating use of veterans' benefits, validating benefit

eligibility and maintaining the health and wellbeing of veterans and their family members.

b. To provide identifying Armed Service personnel data to the VA and its insurance program contractor for the purpose of notifying separating eligible Reservists of their right to apply for Veteran's Group Life Insurance coverage under the Veterans Benefits Improvement Act of 1996 (38 U.S.C. 1968).

c. To register eligible veterans and their dependents for VA programs.

d. Providing identification of former Uniformed Service personnel and survivor's financial benefit data to VA for the purpose of identifying military retired pay and survivor benefit payments for use in the administration of the VA's Compensation and Pension program (38 U.S.C. 5106). The information is to be used to process all VA award actions more efficiently, reduce subsequent overpayment collection actions, and minimize erroneous payments.

e. To conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a), for the purpose of:

(1) Providing full identification of active duty Uniformed Service personnel, including full time National Guard/Reserve support personnel, for use in the administration of VA's Compensation and Pension benefit program. The information is used to determine continued eligibility for VA disability compensation to recipients who have returned to active duty so that benefits can be adjusted or terminated as required and steps taken by VA to collect any resulting over payment (38 U.S.C. 5304(c)).

(2) Providing identification of reserve duty, including full time support National Guard/Reserve Armed Forces personnel, to the VA, for the purpose of deducting reserve time served from any VA disability compensation paid or waiver of VA benefit. The law (10 U.S.C. 12316) prohibits receipt of reserve pay and VA compensation for the same time period, however, it does permit waiver of VA compensation to draw reserve pay.

f. To provide identifying Uniformed Service personnel data to the VA for the purpose of notifying such personnel of information relating to educational assistance as required by the Veterans Programs Enhancement Act of 1998 (38 U.S.C. 3011 and 3034).

2. To the Office of Personnel Management (OPM):

a. Consisting of personnel/employment/financial data for the purpose of carrying out OPM's management functions. Records disclosed concern pay, benefits, retirement deductions and any other information necessary for those management functions required by law (Pub.L. 83-598, 84-356, 86-724, 94-455 and 5 U.S.C. 1302, 2951, 3301, 3372, 4118, 8347).

b. To conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a) for the purpose of:

(1) Exchanging civil service and Reserve personnel data to identify those individuals of the Reserve forces who are employed by the Federal government in a civilian position. The

purpose of the match is to identify those particular individuals occupying critical positions as civilians and cannot be released for extended active duty in the event of mobilization. Employing Federal agencies are informed of the reserve status of those affected personnel so that a choice of terminating the position or the reserve assignment can be made by the individual concerned. The authority for conducting the computer match is contained in E.O. 11190, Providing for the Screening of the Ready Reserve of the Armed Forces.

c. Matching for administrative purposes to include updated employer addresses of Federal civil service employees who are reservists and demographic data on civil service employees who are reservists.

3. To the Internal Revenue Service (IRS) for the purpose of obtaining home addresses to contact Reserve component members for mobilization purposes and for tax administration. For the purpose of conducting aggregate statistical analyses on the impact of Armed Forces personnel of actual changes in the tax laws and to conduct aggregate statistical analyses to lifestream earnings of current and former military personnel to be used in studying the comparability of civilian and military pay benefits. To aid in administration of Federal Income Tax laws and regulations, to identify non compliance and delinquent filers.

4. To the Department of Health and Human Services (HHS):

a. To the Office of the Inspector General, HHS, for the purpose of identification and investigation of DoD civilian employees and Armed Forces members who may be improperly receiving funds under the Temporary Assistance to Needy Families (TANF).

b. To the Office of Child Support Enforcement, Federal Parent Locator Service, HHS, pursuant to 42 U.S.C. 653 and 653a; to assist in locating individuals for the purpose of establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; or enforcing child custody or visitation orders; and for conducting computer matching as authorized by E.O. 12953 to facilitate the enforcement of child support owed by delinquent obligors within the entire civilian Federal government and the Uniformed Services (active and retired). Identifying delinquent obligors will allow State Child Support Enforcement agencies to commence wage withholding or other enforcement actions against the obligors.

NOTE 1: Information requested by HHS is not disclosed when it would contravene U.S. national policy or security interests (42 U.S.C. 653(e)).

NOTE 2: Quarterly wage information is not disclosed for those individuals performing intelligence or counter intelligence functions and a determination is made that disclosure could endanger the safety of the individual or compromise an ongoing investigation or intelligence mission (42 U.S.C. 653(n)).

c. To the Health Care Financing Administration (HCFA), HHS for the purpose of monitoring HCFA reimbursement to civilian hospitals for Medicare patient treatment. The data will ensure no Department of Defense physicians, interns, or residents are counted for HCFA reimbursement to hospitals.

d. To the Center for Disease Control and the National Institutes of Mental Health, HHS, for

the purpose of conducting studies concerned with the health and well being of Uniformed Services personnel or veterans, to include family members.

e. To conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5.S.C. 552a), for the Public Assistance Reporting Information System (PARIS) for the purpose of determining continued eligibility and help eliminate fraud and abuse in benefit programs by identifying individuals who are receiving Federal compensation or pension payments and also are receiving payments pursuant to Federal benefit programs being administered by the States.

5. To the Social Security Administration (SSA):

(1) To the Office of Research and Statistics for the purpose of: Conducting statistical analyses of impact of military service and use of GI Bill benefits on long term earnings.

(2) Obtaining current earnings data on individuals who have voluntarily left military service or DoD civil employment so that analytical personnel studies regarding pay, retention and benefits may be conducted.

NOTE 3: Earnings data obtained from the SSA and used by DoD does not contain any information that identifies the individual about whom the earnings data pertains.

a. To conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5

U.S.C. 552a) to the Bureau of Supplemental Security Income for the purpose of verifying information provided to the SSA by applicants and recipients/beneficiaries, who are retired members of the Uniformed Services or their survivors, for Supplemental Security Income (SSI) or Special Veterans' Benefits (SVB). By law (42 U.S.C. 1006 and 1383), the SSA is required to verify eligibility factors and other relevant information provided by the SSI or SVB applicant from independent or collateral sources and obtain additional information as necessary before making SSI or SVB determinations of eligibility, payment amounts, or adjustments thereto.

b. To the Client Identification Branch for the purpose of validating the assigned Social Security Number for individuals in DoD personnel and pay files, using the SSA Enumeration Verification System (EVS).

c. To the Office of Disability and Insurance Security Programs, for the purpose of expediting disability processing of wounded military service members and veterans.

6. To the Selective Service System (SSS) for the purpose of facilitating compliance of members and former members of the Armed Forces, both active and reserve, with the provisions of the Selective Service registration regulations (50 U.S.C. App. 451 and E.O. 11623).

7. To the Department of Labor (DOL) to reconcile the accuracy of unemployment compensation payments made to former DoD civilian employees and members of the Uniformed Services by the states. To the Department of Labor to survey Armed Forces separations to determine the effectiveness of programs assisting veterans to obtain employment.

8. To Federal and Quasi Federal agencies, territorial, state, and local governments to support personnel functions requiring data on prior Armed Forces service credit for their employees or for job applicants. Information released includes name, Social Security Number, and military or civilian address of individuals. To detect fraud, waste and abuse pursuant to the authority contained in the Inspector General Act of 1978, as amended (Pub.L. 95-452) for the purpose of determining eligibility for, and/or continued compliance with, any Federal benefit program requirements.

9. To state and local law enforcement investigative agencies to obtain military history information for the purpose of ongoing investigations.

10. To Federal and Quasi Federal agencies, territorial, state and local governments, and contractors and grantees for the purpose of supporting research studies concerned with the health and wellbeing of Uniformed Service and retired personnel or veterans, to include family members. DMDC will disclose information from this system of records for research purposes when DMDC:

a. has determined that the use or disclosure does not violate legal or policy limitations under which the record was provided, collected, or obtained;

b. has determined that the research purpose (1) cannot be reasonably accomplished unless the record is provided in individually identifiable form, and (2) warrants the risk to the privacy of the individual that additional exposure of the record might bring;

c. has required the recipient to (1) establish reasonable administrative, technical, and physical safeguards to prevent unauthorized use or disclosure of the record, and (2) remove or destroy the information that identifies the individual at the earliest time at which removal or destruction can be accomplished consistent with the purpose of the research project, unless the recipient has presented adequate justification of a research or health nature for retaining such information, and (3) make no further use or disclosure of the record except (A) in emergency circumstances affecting the health or safety of any individual, (B) for use in another research project, under these same conditions, and with written authorization of the Department, (C) for disclosure to a properly identified person for the purpose of an audit related to the research project, if information that would enable research subjects to be identified is removed or destroyed at the earliest opportunity consistent with the purpose of the audit, or (D) when required by law;

d. has secured a written statement attesting to the recipient's understanding of, and willingness to abide by these provisions.

11. To Federal and State agencies for purposes of obtaining socioeconomic information on

Armed Forces personnel so that analytical studies can be conducted with a view to assessing the present needs and future requirements of such personnel.

12. To Federal and state agencies for purposes of validating demographic data (e.g., Social Security Number, citizenship status, date and place of birth, etc.) for individuals in Uniformed Service personnel and pay files so that accurate information is available in support of Uniformed Service requirements.

13. To the Bureau of Citizenship and Immigration Services, Department of Homeland Security, for purposes of facilitating the verification of individuals who may be eligible for expedited naturalization (Pub.L. 108-136, Section 1701, and E.O. 13269, Expedited Naturalization).

14. To Federal and State agencies, as well as their contractors and grantees, for purposes of providing military wage, training, and educational information so that Federal-reporting requirements, as mandated by statute, such as the Workforce Investment Act (29 U.S.C. 2801, et. seq.) and the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2301, et. seq.) can be satisfied.

15. To Federal Agencies, including the Department of Education, to conduct computer matching programs regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a), for the purpose of identifying dependent children of those Armed Forces members killed in Operation Iraq Freedom and Operation Enduring Freedom (OIF/OEF) Afghanistan Only for possible benefits.

The DoD 'Blanket Routine Uses' set forth at the beginning of the Office of the Secretary of Defense (OSD) compilation of systems of records notices apply to this system.

NOTE 5: Military drug test information involving individuals participating in a drug abuse rehabilitation program shall be confidential and be disclosed only for the purposes and under the circumstances expressly authorized in 42 U.S.C. 290dd-2. This statute takes precedence over the Privacy Act of 1974, in regard to accessibility of such records except to the individual to whom the record pertains. The DoD 'Blanket Routine Uses' do not apply to these types of records.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Electronic storage media.

RETRIEVABILITY:

Retrieved by name, Social Security Number (SSN), DoD ID number, occupation, or any other data element contained in system.

SAFEGUARDS:

Access to personal information is restricted to those who require the records in the

performance of their official duties. Access to personal information is further restricted by the use of Common Access Cards (CAC). Physical entry is restricted by the use of locks, guards, and administrative procedures. All individuals granted access to this system of records are to have taken Information Assurance and Privacy Act training; all have been through the vetting process and have ADP ratings.

RETENTION AND DISPOSAL:

The records are used to provide a centralized system within the Department of Defense to assess manpower trends, support personnel functions, perform longitudinal statistical analyses, and conduct scientific studies or medical follow-up programs and other related studies/analyses. Records are retained as follows:

- (1) Input/source records are deleted or destroyed after data have been entered into the master file or when no longer needed for operational purposes, whichever is later. Exception: Apply NARA-approved disposition instructions to the data files residing in other DMDC data bases.
- (2) The Master File is retained permanently. At the end of the fiscal year, a snapshot is taken and transferred to the National Archives in accordance with 36 CFR part 1228.270 and 36 CFR part 1234.
- (3) Outputs records (electronic or paper summary reports) are deleted or destroyed when no longer needed for operational purposes. Note: This disposition instruction applies only to record keeping copies of the reports retained by DMDC. The DoD office requiring creation of the report should maintain its record keeping copy in accordance with NARA approved disposition instructions for such reports.
- (4) System documentation (codebooks, record layouts, and other system documentation) are retained permanently and transferred to the National Archives along with the master file in accordance with 36 CFR part 1228.270 and 36 CFR part 1234.

SYSTEM MANAGER(S) AND ADDRESS:

Deputy Director, Defense Manpower Data Center, DoD Center Monterey Bay, 400 Gigling Road, Seaside, CA 93955-6771.

NOTIFICATION PROCEDURE:

Individuals seeking to determine whether information about themselves is contained in this system should address written inquiries to the Privacy Act Officer, Office of Freedom of Information, Washington Headquarters Services, 1155 Defense Pentagon, Washington, DC 20301- 1155.

Written requests should contain the full name, Social Security Number (SSN), date of birth,

current address, and telephone number of the individual.

In addition, the requester must provide a notarized statement or an unsworn declaration made in accordance with 28 U.S.C. 1746, in the following format:

If executed within the United States, its territories, possessions, or commonwealths: 'I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).'

If executed outside the United States: 'I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature).'

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for their representative to act on their behalf.

RECORD ACCESS PROCEDURES:

Individuals seeking access to information about themselves contained in this system should address written inquiries to the Office of the Secretary of Defense/Joint Staff Freedom of Information Act Requester Service Center, 1155 Defense Pentagon, Washington, DC 20301-1155.

Written requests should contain the name and number of this system of records notice along with the full name, Social Security Number(SSN), date of birth, current address, and telephone number of the individual and be signed.

In addition, the requester must provide a notarized statement or an unsworn declaration made in accordance with 28 U.S.C. 1746, in the following format:

If executed within the United States, its territories, possessions, or commonwealths: 'I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).'

If executed outside the United States: 'I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature).'

Attorneys or other persons acting on behalf of an individual must provide written authorization from that individual for their representative to act on their behalf.

CONTESTING RECORD PROCEDURES:

The Office of the Secretary of Defense rules for accessing records, for contesting contents and appealing initial agency determinations are published in Office of the Secretary of Defense Administrative Instruction 81; 32 CFR part 311; or may be obtained from the system manager.

RECORD SOURCE CATEGORIES:

Record sources are individuals via survey questionnaires, the Uniformed Services, the

Department of Veteran Affairs, the Office of Personnel Management, Environmental Protection Agency, Department of Health and Human Services, Department of Energy, Executive Office of the President, and the Selective Service System.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.