

**COMPUTER MATCHING AGREEMENT**  
**BETWEEN THE DEPARTMENT OF VETERANS AFFAIRS**  
**AND**  
**THE DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF PRISONS**  
**FOR DETERMINING ELIGIBILITY TO CONTINUE TO RECEIVE BENEFITS AUTHORIZED BY**  
**THE DEPARTMENT OF VETERANS AFFAIRS**

**ARTICLE I. INTRODUCTION**

This agreement continues an arrangement for a periodic computer-matching program between the United States Department of Veterans Affairs (VA) as the recipient agency and the United States Department of Justice (DOJ), Federal Bureau of Prisons (BOP) as the source agency.

This agreement sets forth the responsibilities of VA and BOP with respect to information disclosed pursuant to this agreement and takes into account both agencies' responsibilities under the Privacy Act of 1974, 5 U.S.C. 552a, as amended by the Computer Matching and Privacy Protection Act of 1988, as amended, and the regulations promulgated thereunder, including computer matching portions of a revision of OMB Circular No. A-130, 81 FR 49689 dated July 28, 2016.

**ARTICLE II. DEFINITIONS**

- A. "Disclose" and "Disclosure" mean the release of information (data), with the consent of the individual(s) to whom the information pertains, or otherwise in accordance with the applicable Privacy Act disclosure provisions.
- B. "Recipient Agency" means the agency receiving the records to be used in this matching program.
- C. "Source Agency" means the agency disclosing the records to be used in this matching program.
- D. "SSN" means Social Security Number.
- E. "Felony" means a criminal offense that is a felony under applicable law, or in a jurisdiction that does not specify that any crime is a felony, it is an offense punishable by death or by imprisonment for a term exceeding one year.

- F. "Misdemeanor" means a criminal offense that is a misdemeanor under applicable law, or in a jurisdiction that does not specify that any crime *is* a misdemeanor, it is an offense punishable by imprisonment for a term not exceeding one year.
- G. "Confined" and "confinement" refer to service by an individual who is committed to the custody of the Director, Federal Bureau of Prisons, or in the custody and control of the Attorney General of the United States for a sentence of incarceration pursuant to the conviction of such individual of a Federal crime. Such an individual also will be considered confined if temporarily or intermittently outside the secure perimeter of the institution, e.g., on work release, attending school, hospitalized, or furloughed.
- H. The term "data breach," in accordance with 38 U.S.C. 5727, means the loss, theft, or other unauthorized access, or any access other than that incidental to the scope of employment, to data containing sensitive personal information, in electronic or printed form, that results in the potential compromise of the confidentiality or integrity of the data.
- I. The term "security incident," in accordance with 38 U.S.C. 5727, means an event that has, or could have, resulted in unauthorized access to, loss or damage to VA assets, or sensitive information, or an action that breaches VA security procedures.

### **ARTICLE III. PURPOSE AND LEGAL AUTHORITY**

- A. Purpose: The purpose of this matching program between VA and BOP is to identify those veterans and VA beneficiaries, including VA caregivers, such as for those participating in VA's Program of Comprehensive Assistance for Family Caregivers (PCAFC), who are in receipt of certain VA benefit payments and who are confined (see Article II.G.) for a period exceeding 60 days due to a conviction for a felony or a misdemeanor. VA has the obligation to reduce or suspend compensation, pension, and dependency and indemnity compensation benefit payments to veterans and VA beneficiaries on the 61st day following conviction and incarceration in a Federal, State, or Local institution for a felony or a misdemeanor.
- B. VA will use the BOP records provided in the match to update the master records of veterans and VA beneficiaries receiving benefits and to adjust their VA benefits, accordingly, if needed.
- C. Legal Authority: The legal authority to conduct this match is 38 U.S.C. 1505, 5106, and 5313. Section 5106 requires any Federal department or agency to provide VA such information as VA requests for the purposes of determining eligibility for, or the amount of VA benefits, or verifying other information with respect thereto. Section

1505 provides that no VA pension benefits shall be paid to or for any person eligible for such benefits, during the period of that person's incarceration as the result of conviction of a felony or misdemeanor, beginning on the sixty-first day of incarceration. Section 5313 provides that VA compensation or dependency and indemnity compensation above a specified amount shall not be paid to any person eligible for such benefit, during the period of that person's incarceration as the result of conviction of a felony, beginning on the sixty-first day of incarceration.

#### **ARTICLE IV. JUSTIFICATION AND ANTICIPATED RESULTS**

- A. Justification: The parties to this agreement have determined that a computer matching program is the most effective, efficient, and expeditious means of obtaining and processing the information needed by VA to identify payees subject to the required reduction. Computer matching allows for a more effective identification process by facilitating matching via one singular mechanism of inmates in BOP custody rather than a disjointed and irregular state-by-state and facility-by-facility comparison system.
- B. Anticipated Results: In order to minimize administrative costs of implementation of the law, and to maximize the effects of the action and the law, a system of ongoing data exchange and subsequent computer matching programs were developed. BOP does not expect any savings as a result of this matching program. The cost saving and cost avoidance for VA are estimated to be approximately \$25.4 million in the first 18 months (March 15, 2023, to September 15, 2024) and \$67.2 million over four years as a result of VA's data matches with SSA (which includes all incarcerated persons). An analysis of the benefit of this matching program is in Attachment I. ARTICLE V. DESCRIPTION OF RECORDS TO BE MATCHED

#### **Data Elements Used in the Match:**

- A. BOP agrees to furnish VA with a data file containing data elements on confined inmates as defined in Article II ("Definitions") above, noting the exclusions listed in paragraph C below. These data elements are to be submitted monthly showing the individuals admitted or released during the reporting period. The data are to be submitted to VA as soon as possible after the end of the reporting period, taking into account the time needed to have the required data elements entered into the prisoner database.
- B. Upon request, and with prior coordination with BOP, BOP will provide VA with a total current prison population data file of all currently confined inmates as defined

in Attachment II.) The data elements provided to VA will be taken from DOJ's Inmate Central Records System, Justice/BOP-005, initially published on June 7, 1984 (48 FR 23711) and last modified on May 6, 2019 (84 FR 19808). The applicable routine use from this system for the match is routine use (i).

C. BOP data elements to be provided are:

1. Social Security Number
2. Last Name
3. First Name
4. Middle name
5. Suffix Name
6. Date of Birth
7. Date Computation Begins (i.e. date sentence begins to run)
8. Length of Sentence
9. Place of Current Confinement or Destination of Confinement if in-Transit
10. Federal Register Number
11. Type of Offense (Felony or Misdemeanor)
12. Date of Scheduled or Actual Release

As part of the initial data exchange, BOP will provide a data file that includes all BOP Institution Addresses. Any questions regarding BOP inmate data will be directed to the VA Technical Points of Contact in this agreement, who will then contact BOP, as appropriate.

- D. VA will match SSNs received from BOP with SSNs in VA's system of records entitled, "Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records - VA (58 VA 21/22/28)", published at 74 FR 29275 (June 19, 2009), last amended at 86 FR 61858 (November 8, 2021). The applicable routine use from this system for the match is 45.
- E. VA will additionally match SSNs received from BOP with SSNs in VA's system of records entitled, "Caregiver Support Program-Caregiver Record Management Application (CARMA)-VA" (197VA10)", published at 86 FR 18588 (April 9, 2021). The applicable routine use from this system for the match is 14.
- F. The inmate's name information that BOP reports to VA will pertain only to the name information that BOP identifies as the inmate's committed name. BOP will not report to VA any other inmate name information that is maintained, such as alias names, nicknames, or legal name (if it differs from the committed name). BOP will remove hyphens, embedded blanks, and quotes from the name fields, if present, and left-justify those name fields. BOP will make only one entry per inmate within the data file.

approximately 6,000 newly confined inmates admitted and approximately 3,400 inmates released during each monthly reporting period. Upon request for a total current prison population data file, BOP will provide VA with identifying information concerning approximately 154,000 federally confined individuals currently under BOP supervision.

VA will match this information with approximately 6.3 million recipients of VA benefits to identify those confined veterans and VA beneficiaries who are in receipt of VA compensation, pension, or dependency and indemnity compensation and/or in receipt of other VA benefits such as those associated with VA's PCAFC.

H. BOP will not report inmate data to VA that satisfies the following selection criteria:

- Inmates identified as "U.S. Immigration and Customs Enforcement" aliens
- Inmates identified as juveniles
- Inmates in a witness protection program
- Inmates in a non-BOP agency
- Inmates with no sentence data
- Inmates in a prolonged in-transit facility
- Inmates released permanently

I. Routine Use Publication: Agencies must publish routine uses pursuant to Subsection (b)(3) of the Privacy Act for those systems of records from which they intend to disclose information for purposes of a computer match. BOP and VA have determined that their systems of records contain appropriate routine use disclosure authority which is compatible with the purpose for which the information was collected, and which indicates that disclosures can be made for computer matching. These routine uses are described above in Article V. B, D & E.

## **ARTICLE VI. DURATION OF AGREEMENT**

- A. Transmittal Letter Begins Review Time: When this agreement is approved and signed by the Chairpersons of the respective Data Integrity Boards (DIB) of VA as the recipient agency and BOP/DOJ as the source agency, VA will submit this agreement and the proposed Public Notice of the match in duplicate via a transmittal letter to Congress and the Office of Management and Budget (OMB) for review. The time period for review outside the agencies begins on the date of the transmittal letter.
- B. Matching Notice Publication: Subsequent to the transmittal being forwarded to Congress and OMB for review, VA will forward the Public Notice of the proposed matching program for publication in the Federal Register as required by Subsection (e)(12) of the Privacy Act. The matching notice will clearly identify the records systems and category of records being used, and state that the program is subject to review by OMB and Congress. A copy of the published notice shall be provided to BOP.
- C. Effective Date of Agreement: The parties to this agreement may assume OMB and Congressional concurrence if no comments are received within 30 days of the date of the transmittal letter. The 30-day OMB and Congressional review period will occur prior to the mandatory 30-day public comment period for the Federal Register publication of the notice. The effective date of this matching agreement and the date when matching may begin, will be the expiration of the 30-day OMB review period and the subsequent 30-day Federal Register public comment period.
- D. Length of Agreement: The agreement shall be valid for 18 months from the effective date of the notice and may be extended by the parties at the end of 18 months. The agreement is expected to begin at the expiration of the 30-day OMB and Congressional review period and the subsequent 30-day Federal Register public comment period.
- E. Federal Register public comment period. It is expected that the match will run 18 times during the duration of the agreement. The Data Integrity Boards of both agencies may, within 3 months prior to the expiration of the agreement (i.e., 15 to 18 months after the effective date), approve an extension of one year pursuant to 5 U.S.C. 552a(o)(2)(D). In order to extend the agreement, both VA and BOP must certify in writing that:
  - 1. The matching program will be conducted without change, and
  - 2. The matching program has been conducted in compliance with this original agreement.

If either agency does not want to continue this agreement, it should notify the other of its intention not to renew at least 90 days before the end of the then-current period. This agreement may be amended at any time by a written

in the Federal Register, with notice having been provided to the Congress and to the Office of Management and Budget before its implementation.

- F. If DOJ believes that unilateral termination of this agreement is warranted under 5 USC 552a(q)(1), it will make such efforts as are feasible under the circumstances to first notify and confer with VA to prevent unintended disbursements of federal benefits to ineligible applicants. Either party may singly terminate the agreement upon written notice to the other party, in which case, the termination shall be effective 90 days after the date of such notice, or at a later date specified in the notice. This agreement may also be terminated for violation of any security procedure.

#### **ARTICLE VII. NOTICE PROCEDURES**

- A. Applicants: VA notifies all individuals who apply for benefits that the information provided on the application is subject to computer matches with other agencies. VA's direct notice consists of appropriate language printed on its application forms. VA's notice will inform all applicants that information obtained through computer matching programs may be used to determine eligibility for benefits.
- B. Beneficiaries: VA provides subsequent periodic notices to those veterans and other VA beneficiaries who are receiving VA compensation, pension, and dependency and indemnity compensation benefits payments that their continued eligibility for such payments is subject to verification through computer matching programs. VA's notice consists of appropriate language mailed by check stuffer or letter to all veterans and VA beneficiaries who receive compensation, pension, or dependency and indemnity compensation.

#### **ARTICLE VIII, VERIFICATION PROCEDURES**

- A. Verification of Match Information: To verify information obtained under this agreement prior to initiating any adverse action against an affected individual, VA will confirm that the correct veteran or VA beneficiary has been identified as confined. To confirm that the correct veteran or VA beneficiary has been identified, VA will examine VA claims folders to confirm that the confined individual is the same as the matched veteran or VA beneficiary by comparing name, SSN, and date of birth, and take steps to confirm that the same individual is or was confined. VA will provide all individuals for whom VA decides such adverse action is necessary a written notification with the information as discussed in the following paragraph "B."
- B. Notice and Opportunity to Contest: At least sixty (60) days before taking any adverse action based on the information received from the match, VA will send written notification to each VA beneficiary or veteran as follows:
1. VA has received information, which indicates that an adverse action is necessary,

Upon completion of the adverse action, VA will notify the individual of Appellate Rights, the amount of overpayment, if any, and procedures for requesting a waiver of the overpayment.

VHA will additionally provide information on how to file a clinical appeal to all individuals who are removed from the Program of Comprehensive Assistance for Family Caregivers as a result of this match.

VHA Directive 1041, Appeals of VHA Clinical Decisions states the following: Veterans Health Administration (VHA) directive communicates the policy and responsibilities for handling clinical disputes. **AUTHORITY:** Title 38 United States Code (U.S.C.) 7301(b). **NOTE:** *This directive does not apply to VHA's reconsideration process set forth in Title 38 Code of Federal Regulations (CFR) §17.133 or to appeals filed with the Board of Veterans' Appeals (which are governed by 38 CFR part 20).*

"It is VHA policy that patients and their representatives have access to a fair and impartial review of disputes regarding clinical decisions. Appeals of clinical decisions must be filed in writing, by the patient or by their representative and submitted to the medical facility, and if not resolved, directly to the VISN."

#### **ARTICLE IX. DISPOSITION OF RECORDS**

- A. The BOP files and records created by the match will be used and accessed by VA only for the purpose stated in Article III.
- B. VA will not create a separate file or system of records, which consists of information concerning only those individuals who are involved in the specific matching program.
- C. VA will retain BOP data with identifying information only for the period of time required for any processing related to the matching program (ordinarily 90 days). After that time, VA will destroy the data.

#### **ARTICLE X. SECURITY PROCEDURES**

The Privacy Act requires that each matching agreement specify procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs (5 U.S.C. 552a(o)(l)(G)).

- A. Both BOP and VA agree to comply with the requirements of the Federal Information Security Modernization Act of 2014 (FISMA), Pub. L. 113-283, 128 Stat. 3073 (Dec. 18, 2014); and, where appropriate, related Office of Management and Budget (OMB) circulars and memorandums, such as Circular A-130, Managing Information



These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize that laws, regulations, NIST standards, and OMB directives relating to the subject of this agreement and published subsequent to the effective date must also be implemented if mandated.

- B. Information systems used to store, access, process, or transmit records matched and information produced by the match will employ security controls consistent with those recommended by the U.S. Department of Commerce, National Institute of Standards and Technology (NIST), or will utilize a comparable risk management program. NIST-recommended security controls are described in NIST Special Publication 800-53 Revision 4, "Security and Privacy Controls for Federal Information Systems and Organizations."
- C. FISMA requirements apply to all federal contractors, organizations or sources that possess or use Federal information, or that operate, use or have access to Federal information systems on behalf of an agency. The recipient agency is responsible for oversight and compliance of their contractors and agents. BOP reserves the right to conduct onsite inspections to monitor compliance with FISMA regulations during the lifetime of this agreement.
- D. Loss Reporting: If either agency experiences a loss of PII provided by the other under the terms of this agreement, that agency will follow OMB loss reporting guidelines (OMB M-17-12 "Preparing for and Responding to a Breach of Personally Identifiable Information") and notify the United States Computer Emergency Readiness Team (US- CERT) within one (1) hour of discovering the incident. In addition, they will immediately notify the other agency's Information Security Programs Section (BOP: 202-514-2049 or 202-307-6667; VA contact person named in this agreement) in the event of any actual or suspected breach of such data (i.e., Loss of control, compromise, unauthorized disclosure, access for an unauthorized purpose, or other unauthorized access, whether physical or electronic). If within one (1) hour VA has been unable to make a report to the BOP contact(s) named herein, VA will call the DOJ Computer Emergency Readiness Team (DOJCERT) at 1-866-US4-CERT (1-866-874-2378) and make the report. If within one (1) hour BOP has been unable to make a report to the VA contact named herein, BOP will call the VA Network and Security Operations Center at 866- 407-1566 and make the report.
- E. Breach Notification: VA follows PII breach notification policies and related procedures (as required by OMB M-17-12 (Jan. 3, 2017)). If VA determines that the risk of harm requires notification to affected individuals and/or other remedies, VA will carry out these notifications and/or remedies without cost to BOP.

created by the match will be restricted to only 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. Further, all personnel who will have access to the records matched and to any records created by the match will be advised of the confidential nature of the information, the safeguards required to protect the records and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

- G. Physical Safeguards: The records matched and any records created by the match will be stored in an area that is physically secure from access by unauthorized persons during duty hours as well as nonduty hours or when not in use. Access to the record storage area is limited to authorized personnel who must display a photo identification pass or confidential electronically coded magnetic strip identifier prior to entry. Only authorized personnel will transport the records matched and those created by the match. Such transport shall be under appropriate safeguards consistent with the manner in which they are stored and processed.
- H. Technical Safeguards: 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 so that unauthorized persons cannot retrieve any such records by means of computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on the system. Authorization is strictly limited to those electronic record areas required by the work of the authorized analyst.
- I. Application of Policy and Procedures: BOP and VA shall also adopt policies and procedures to ensure that information contained in their respective records and obtained from each other shall be used solely as provided in this agreement. BOP and VA agree to comply with these guidelines and any revision of them. Each agency reserves the right to make onsite inspections or may make other provisions for auditing compliance with the terms of the agreement such as requiring recurring self-audits to ensure that adequate safeguards are being maintained.
- J. Onsite Inspection: The DIB of each agency participating in this agreement reserves the right to monitor compliance with FISMA and OMB requirements and to make onsite inspections for purposes of auditing compliance (if needed) during the lifetime of this agreement or of any 12-month renewal of this agreement.

#### **ARTICLE XI. RECORD USAGE, DUPLICATION, AND REDISCLOSURE RESTRICTIONS**

The following limitations will apply to the access to, and disclosure and use of, identifying information provided by BOP:

program (see 5 U.S.C. 552a(o)(l)(H)).

- B. The data will be retained for approximately 90 days. After that time, it will be destroyed. VA will destroy all such data by electronic purging unless VA is required to retain the information in order to meet evidentiary requirements. After that time, it will be destroyed
- C. Data provided to VA will not be used to extract information concerning individuals therein for any purpose not specified in Article III of this agreement.
- D. The information provided by BOP will be used within VA only to the extent necessary to achieve the purpose of the match.
- E. VA agrees not to use the BOP file to extract information about non-matching individuals for any purpose.

#### **ARTICLE XII. ACCURACY ASSESSMENT**

Previous VA matches with the Social Security Administration indicate that the names and social security numbers (SSNs) in VA records are 99 percent accurate. VA internal verification procedures have also confirmed this percent of accuracy in VA records. BOP believes that virtually all of the names and SSNs that it will provide to VA will be the same as those furnished by the inmate sources.

#### **ARTICLE XIII. ACCESS BY THE COMPTROLLER GENERAL**

The Government Accountability Office (Comptroller General) may have access to all VA and BOP records as necessary in order to verify compliance with this agreement.

#### **ARTICLE XIV. REMOTE TERMINAL ACCESS**

VA will not allow remote terminal access to the information being transferred under the terms of this agreement.

#### **ARTICLE XV. REIMBURSEMENT**

VA will be responsible for all costs incurred with the delivery of the data. Further, VA authorizes BOP to use any designated VA billing account numbers for the sole purpose of delivery of such data, as deemed appropriate by both parties.

## **ARTICLE XVI. PERSONS TO CONTACT**

The VA contacts for questions concerning the matching agreement are:

### **Policy Questions**

Eric Robinson  
Compensation Service  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420  
Email: [eric.robinso3@va.gov](mailto:eric.robinso3@va.gov)  
Telephone: (202)443-6016

### **Technical Questions**

John Brandt  
Compensation Service  
Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420  
[john.brandt1@va.gov](mailto:john.brandt1@va.gov)  
Telephone: (202)461-9869

VA staff with questions or needing information related to this matching program shall contact the above-designated VA Central Office representative for Policy Questions who will then contact BOP, as appropriate.

The BOP contacts for the matching agreements are:

### **Policy Questions**

Daniel K. George, Asst. General Counsel  
Office of General Counsel  
Federal Bureau of Prisons  
320 First Street, NW  
Washington, DC 20534  
Email: [dkgeorge@bop.gov](mailto:dkgeorge@bop.gov) Telephone:  
(202) 307-2261

### **Technical Questions**

Scott Felter  
SENTRY Systems Disaster Recovery  
Systems Development Branch  
Federal Bureau of Prisons  
320 First Street, NW Washington, DC 20534  
E-mail: [sfelter@bop.gov](mailto:sfelter@bop.gov)  
Telephone: (202) 514-4930

## **ARTICLE XVII. SIGNATURES**

### **Computer Matching Agreement between the Department of Veterans Affairs, Veterans Benefits Administration and the Department of Justice, Federal Bureau of Prisons**

In witness whereof, the parties hereby execute this agreement.

#### **Department of Veterans Affairs, Veterans Benefits Administration:**

**BETH MURPHY**

Digitally signed by BETH  
MURPHY  
Date: 2023.02.07 00:25:02  
-05'00'

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

\_\_\_\_\_

Date

**NILIJAH  
CARTER**

Digitally signed by  
NILIJAH CARTER  
Date: 2023.02.08 11:49:42  
-05'00'

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

\_\_\_\_\_

Date

**Colleen M.  
Richardson  
228014**

Digitally signed by  
Colleen M.  
Richardson 228014

Colleen Richardson, Executive Director  
Caregiver Support Program  
Veterans Health Administration  
Department of Veterans Affairs

\_\_\_\_\_

Date



2023.03.02  
17:34:13 -05'00'

---

John Oswalt, Chair  
Data Integrity Board  
Department of Veterans Affairs

---

Date

-

**ARTICLE XVII. SIGNATURES (continued)**

**Computer Matching Agreement between the Department of Veterans Affairs, Veterans Benefits Administration and the Department of Justice, Federal Bureau of Prisons**

In witness whereof, the parties hereby execute this agreement.

**Department of Justice, Federal Bureau of Prisons:**



**SONYA THOMPSON**  
**2023.03.10 16:20:39 -05'00'**

\_\_\_\_\_  
 Sonya D. Thompson  
 Assistant Director/CIO  
 Information Technology & Data Division  
 Federal Bureau of Prisons

\_\_\_\_\_  
 Date

**JOLENE  
 LAURIA**

Digitally signed by  
 JOLENE LAURIA  
 Date: 2023.03.22  
 09:30:32 -04'00'

\_\_\_\_\_  
 Jolene A. Lauria  
 Acting Assistant Attorney General/  
 Chairman, Data Integrity Board  
 Justice Management Division  
 U.S. Department of Justice

\_\_\_\_\_  
 Date

## ATTACHMENT I - COST BENEFIT ANALYSIS

### Identification

The purpose of this estimate is to determine the cost to VA to renew a computer matching agreement with the Department of Justice, Federal Bureau of Prisons. The agreement will allow VA to verify the information for purposes of determining eligibility for benefit payments, and it will be in place for approximately 30 months from March 15, 2023, through September 15, 2025.

### Summary

Federal law requires VA to reduce disability compensation payments (38 United States Code (U.S.C.) section 5313) to individuals incarcerated for a period of more than 60 days for conviction of a felony. VA is required to reduce compensation benefits of incarcerated Veterans rated 20 percent or higher to the 10 percent disability compensation rate (currently \$165.92). Incarcerated Veterans rated at 10 percent service-connection are reduced to one-half (currently \$82.96) of their compensation. Federal law also requires VA to discontinue pension payments (38 U.S.C. section 1505) to individuals imprisoned for more than 60 days because of a conviction of a felony or misdemeanor. Once a Veteran is released from prison, VA can restore compensation and pension (C&P) payments upon notice of his or her release.

VA will conduct an electronic data match comparing all C&P recipients to the Federal Bureau of Prisons' list of federally confined individuals under its supervision. VA will continue to use these incarceration records to update its records and adjust beneficiary payments accordingly. The matching agreement will help VA avoid fraud and minimize improper payments.

### Mandatory Savings

VA estimates savings will be \$25.4 million in the first 18 months (March 15, 2023, to September 15, 2024) and \$67.2 million over four years.

| Fiscal Year  | Savings from Collecting Overpayments (\$000s) | Savings from Reduced Payments (\$000) | Total Savings (\$000) |
|--------------|---|---------------------------------------|-----------------------|
| 2023         | \$6,366                                       | \$0                                   | \$6,366               |
| 2024         | \$12,470                                      | \$7,337                               | \$19,807              |
| 2025         | \$12,530                                      | \$14,219                              | \$26,749              |
| 2026         | \$0   | \$14,287                              | \$14,287              |
| <b>Total</b> | <b>\$31,366</b>                               | <b>\$35,843</b>                       | <b>\$67,209</b>       |

### Methodology

#### Collection of Overpayments

VBA's Office of Performance Analysis and Integrity (PA&I) provided the annual number of incarcerated Veterans entitled to C&P benefits, according to the Federal Bureau of Prisons,



between 2015-2020. Based on a five-year average, the ratio of incarcerated Veterans to Veteran C&P caseload was 0.02%. This percentage was applied to the Veteran C&P caseload in out-years from the 2023 Mid-Session Review Budget to estimate the number of Veterans who would be identified in the Federal Bureau of Prisons match each year. PA&I also provided a breakout to show that 95% of incarcerated beneficiaries (based on a five-year average) were entitled to compensation benefits, while the remaining five percent were entitled to pension benefits. These rates were applied to project the portion of total beneficiaries who would receive compensation versus pension payments.

PA&I also provided the average overpayment for incarcerated Veterans for the same time period. The average overpayment was increased for cost-of-living adjustments in out-years and then applied to the projected caseload to estimate annual overpayments established based on the Federal Bureau of Prisons match. The data from PA&I further indicated that due to waivers, write-offs, and death of the beneficiary, only 89.7% of historical overpayments due to incarceration are recovered. This recovery rate was applied to annual overpayments to project total savings debt collections.

The computer matching agreement will be renewed for approximately 30 months from March 15, 2023, through September 15, 2025. Therefore, annualized savings were calculated based on estimated savings from the last two quarters of 2023 through 2025.

#### Future Cost Avoidance – Reduced Payments

When VA is notified that a Veteran is incarcerated, benefits are adjusted for the duration of the Veteran's incarceration. Data provided by PA&I indicate the average length of incarceration for a Veteran is approximately one year. To project savings for future cost avoidance, the prior year's caseload was applied to the estimated average reduction in benefit payments. For example, the cost avoidance for Veterans identified by the match in the last two quarters of 2023 will primarily be realized in the last two quarters of 2024, because the approximate incarceration period will be one year.

The computer matching agreement will be renewed for approximately 30 months from March 15, 2023, through September 15, 2025. Therefore, annualized savings were prorated for the last two quarters of 2023. Savings continue through 2026 since payments would continue to be reduced until September 2026, approximately one year after the match ends.

#### **Discretionary Costs**

Any FTE or GOE requirements associated with executing the data match or making payment adjustments will be completed within current staffing levels. Any FTE or GOE savings from resuming the agreement will be redirected to other critical initiatives.

#### **Contact**

For questions and comments regarding the mandatory estimate, contact MaryAnn Tarr, OFM Benefits Budget Staff. For questions regarding the discretionary estimate, contact Jessica Eberhardt, OFM Formulation Division.

## ATTACHMENT II – INPUT SPECIFICATIONS

### INPUT SPECIFICATIONS FOR COMPUTER MATCHING AGREEMENT BETWEEN THE DEPARTMENT OF VETERANS AFFAIRS AND THE FEDERAL BUREAU OF PRISONS

| Field Name                      | Size | Characteristics                         |
|---------------------------------|------|---|
| SSN                             | 9    | Alphanumeric – NNNNNNNNN                |
| NAME, LAST                      | 24   | Alphanumeric                            |
| NAME, FIRST                     | 12   | Alphanumeric                            |
| NAME, MIDDLE                    | 8    | Alphanumeric                            |
| NAME, SUFFIX                    | 3    | Alphanumeric                            |
| DATE OF BIRTH                   | 8    | Numeric - CCYYMMDD                      |
| DATE COMPUTATION<br>BEGINS      | 8    | Numeric – CCYYMMDD                      |
| LENGTH OF SENTENCE              | 1    | Alpha – Y, N or U                       |
| PLACE OF CURRENT<br>CONFINEMENT | 3    | Alphanumeric                            |
| REGISTER NUMBER                 | 8    | Numeric                                 |
| (Reserved)                      | 8    | Numeric – will always contain zeroes.   |
| (Reserved)                      | 1    | Alpha – will always contain spaces      |
| (Reserved)                      | 7    | Alphanumeric will always contain spaces |

*If the inmate has no SSN, the SSN field will contain all blanks. When a name field is not totally used, the name field will be right-blank filled. All date fields will be zero-filled if no date field data is available.*