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Approved by: _____/s/
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Computer Matching Agreements

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I. Purpose

This directive describes the policies, responsibilities, and procedures related to the Department of Education's (Department's) use of computer matching agreements (CMAs). CMAs are required for a computerized comparison of two or more automated systems of records or a system of records with non-Federal records for the purposes of establishing or verifying that the recipients of Federal benefits are in fact eligible to receive such benefits or recouping payments or for recouping delinquent debts under Federal benefit programs. CMAs are also required for a computerized comparison of two or more automated Federal personnel or payroll system of records or a system of Federal personnel or payroll records with non-Federal records. Because CMAs involve the use of personally identifiable information contained in a system of records, the provisions of the Privacy Act of 1974, as amended, 5 U.S.C. § 552a (Privacy Act) apply to the use of CMAs.

II. Policy

It is the policy of the Department to:

- A. Comply with the Computer Matching and Privacy Protection Act of 1988, amending the Privacy Act of 1974, 5 U.S.C. § 552a, in conducting computer-matching activities and with respect to the activities of the Department's Data Integrity Board (DIB).
- B. Safeguard personal privacy in the collection, maintenance, use and dissemination of personally identifiable records about individuals, and make such records available to individuals, in accordance with the requirements of the Privacy Act of 1974, 5 U.S.C. § 552a, as amended.

III. Authorization

The Computer Matching and Privacy Protection Act of 1988 (Pub. L. No. 100-503) amended the Privacy Act to add several new provisions. See 5 U.S.C. § 552a(a)(8)-(13), (e)(12), (o), (p), (q), (r) and (u) (2000). These provisions added procedural requirements for agencies to follow when engaging in computer-matching activities; provided matching subjects with opportunities to receive notice and to refute adverse information before having a benefit denied or terminated; and required that agencies engaged in matching activities establish Data Integrity Boards to oversee those activities. These provisions became effective on December 31, 1989. Subsequently, Congress enacted the Computer Matching and Privacy Protection Amendments of 1990 (Pub. L. No. 101-508), which further clarified the due process provisions found in subsection (p) of 552a.

References:

- U.S. Department of Justice, Overview of the Privacy Act of 1974, May 2004, available at: http://www.usdoj.gov/04foia/04_7_1.html;
- Public Law 100-503, the Computer Matching and Privacy Protection Act of 1988, amending the Privacy Act of 1974, 5 U.S.C. § 552a, available at: <http://www.usdoj.gov/foia/privstat.htm>;
- The Department's Privacy Act Regulations published in 34 C.F.R. Part 5b, available at: <http://www.gpoaccess.gov/cfr/index.html> (search term=34CFR5b);
- The Department's Privacy Act ACS Directive, The Privacy Act of 1974 (The Collection, Use, and Protection of Personally Identifiable Information), available at: http://wdcrobiis08/doc_img/acs_om_6_104.doc;
- Office of Management and Budget (OMB), Privacy Act of 1974; Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection Act of 1988, 54 FR 25818 (June 19, 1989); available at: http://www.whitehouse.gov/omb/inforeg/final_guidance_pl100503.pdf;
- Computer Matching and Privacy Protection Amendments of 1990 and the Privacy Act of 1974, 56 FR 18599 (April 23, 1991), available at: http://www.whitehouse.gov/omb/inforeg/computer_amendments1991.pdf;
- Appendix I to OMB Circular No. A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," (November 28, 2000), available at: http://www.whitehouse.gov/omb/circulars/a130/appendix_i.pdf;
- OMB, M-01-05, "Guidance on Inter-Agency Sharing of Personal Data - Protecting Personal Privacy," (December 20, 2000), available at: <http://www.whitehouse.gov/omb/memoranda/m01-05.html>;
- The Department's Interagency Agreements ACS Directive, available at: http://wdcrobiis08/doc_img/acs_opepd_1_101.doc;
- The Department's Computer Matching Agreement Calendar, available at: <http://connected/index.cfm?navid=321>; and
- The Department's Data Integrity Board Charter, available at: http://wdcrobiis09/doc_img/2006dibc.pdf.

IV. Applicability

This directive applies to all Department employees and contractors.

V. Definitions

Because the Computer Matching and Privacy Protection Act is an amendment to the Privacy Act of 1974, all provisions of this Act should be read within the context of the Privacy Act. All terms defined in the Privacy Act apply. For a comprehensive list of the definitions listed in the Department's ACS Directive on the Privacy Act of 1974, please see OM:6-104, referenced above.

Several of the more pertinent terms and their definitions are listed below:

- A. *12-month Renewal* This is a 12-month renewal of an 18-month agreement that requires the Data Integrity Board to take action within 3 months before the expiration of an 18-month agreement. This renewal can be done without additional review for a current, ongoing matching program for not more than one additional year if--
- (i) such program will be conducted exactly (or with non-substantive changes) as described in the original agreement; and
 - (ii) each party to the agreement certifies to the Board in writing that the program has been conducted in compliance with the agreement.
- (5 U.S.C. § 552a(o)(2)(D)).
- B. *18-month Agreement* An agreement shall remain in effect only for such period, not to exceed 18 months, as the Data Integrity Board of the agency determines is appropriate in light of the purposes, and length of time necessary for the conduct, of the matching program.
- (5 U.S.C. § 552a(o)(2)(C)).
- C. *Data Integrity Board* The Federal agency board oversees and coordinates various provisions of the Privacy Act as it relates to the Department's participation in matching programs. Each Data Integrity Board:
- (A) shall review, approve, and maintain all written agreements for receipt or disclosure of agency records for matching programs and all relevant statutes, regulations, and guidelines;
 - (B) shall review all matching programs in which the agency has participated during the year, either as a source agency or recipient agency, determine compliance with applicable laws, regulations, guidelines, and agency agreements, and assess the costs and benefits of such programs;
 - (C) shall review all recurring matching programs in which the agency has participated during the year, either as a source agency or recipient agency, for continued justification for such disclosures;
 - (D) shall compile an annual report, which shall be submitted to the head of the agency and the Office of Management and Budget

(OMB) and made available to the public on request, describing the matching activities of the agency, including--

- (i) matching programs in which the agency has participated as a source agency or recipient agency;
- (ii) matching agreements proposed that were disapproved by the Board;
- (iii) any changes in membership or structure of the Board in the preceding year;
- (iv) the reasons for any waiver of the requirement for completion and submission of a cost-benefit analysis prior to the approval of a matching program;
- (v) any violations of matching agreements that have been alleged or identified and any corrective action taken; and
- (vi) any other information required by the Director of the OMB to be included in such report;

(E) shall serve as a clearinghouse for receiving and providing information on the accuracy, completeness, and reliability of records used in matching programs;

(F) shall provide interpretation and guidance to agency components and personnel on the requirements for matching programs;

(G) shall review agency recordkeeping and disposal policies and practices for matching programs; and

(H) may review and report on any agency matching activities that are not matching programs.

(5 U.S.C. § 552a(u)(3)).

- D. *Federal benefit program* Any program administered or funded by the Federal Government, or by any agent or State on behalf of the Federal Government, providing cash or in-kind assistance in the form of payments, grants, loans, or loan guarantees to individuals. (5 U.S.C. § 552a(a)(12)).
- E. *Matching Agency* Generally, the recipient Federal agency (or the Federal source agency in a match conducted by a non-Federal agency) is the matching agency and is responsible for meeting the reporting and publication requirements associated with the matching program. However, in large, multi-agency matching programs, where the recipient agency is merely performing the matches and the benefit accrues to the source agencies, the partners should assign responsibility for compliance with the administrative requirements in a fair and reasonable way. This may mean having the matching agency carry out these

requirements for all parties, having one participant designated to do so, or having each source agency do so for its own matching program(s). (OMB Circular Number A-130, Appendix I).

- F. *Matching program* Any computerized comparison of two or more automated systems of records or a system of records with non-Federal records for the purposes of establishing or verifying the eligibility of, or continuing compliance with, statutory or regulatory requirements by applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to cash or in-kind assistance or payments under Federal benefit programs, or for the purpose of recouping payments or delinquent debts under such Federal benefit programs. A “matching program” also includes matches using automated records from Federal personnel or payroll systems of records. A “matching program” requires the comparison of records using a computer. (Manual comparisons are not covered under this definition, although OMB Guidance states that manual data sharing methods should not be used just to avoid the reach of the Computer Matching and Privacy Protection Act where the Act’s application would otherwise be reasonable and proper.) The Computer Matching and Privacy Protection Act covers two kinds of matching programs: (1) matches involving Federal benefits programs; and, (2) matches using automated records from Federal personnel or payroll systems of records. See 5 U.S.C. § 552a(a)(8) and the OMB Final Guidance for specific exclusions, interpretations and restrictions of matching programs.
- G. *Recipient agency* Any agency, or contractor thereof, that receives records contained in a system of records from a source agency for use in a matching program. (5 U.S.C. § 552a(a)(9)).
- H. *Record* Any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, the individual's education, financial transactions, medical history, and criminal or employment history and that contains the individual's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph. (5 U.S.C. § 552a(a)(4)).
- I. *Source agency* Any agency that discloses records contained in a system of records to be used in a matching program, or any State or local government, or agency thereof, that discloses records to be used in a matching program. (5 U.S.C. § 552a(a)(11)).
- J. *System of Records* A group of any records under the control of any agency from which information is retrieved by the name of the individual or by some

identifying number, symbol, or other identifying particular assigned to the individual. (5 U.S.C. § 552a(a)(5)).

VI. Responsibilities

A. Secretary

The Secretary is responsible for designating the senior agency officials who will comprise the Data Integrity Board (DIB).

B. Assistant Secretary for Management (ASM)

The Assistant Secretary for Management is the Department's principal contact for privacy policies and CMAs. The ASM provides overall management and policy guidance to ED's Privacy Act Program and serves as chairperson of the DIB.

C. Data Integrity Board

DIB members, as designated by the Secretary in the Charter for the DIB, include the ASM, Director of the Budget Service, Inspector General, Chief Information Officer, General Counsel, and Assistant Secretary for Postsecondary Education. The latter two members may delegate their appointments to senior officials reporting directly to them.

The DIB shall:

1. Oversee and coordinate the implementation of the Privacy Act, as amended, 5 U.S.C. § 552a, as it relates to the Department's participation in matching programs;
2. Review, approve, and maintain all of the Department's CMAs;
3. Review annually each ongoing matching program in which the Department has participated during the year in order to: (1) ensure that the statutory and regulatory requirements, OMB guidelines, and Agency policies have been met; (2) assess the costs and benefits of the matching program; and (3) determine if the matching program should be continued;
4. Review the Department's record-keeping and disposal policies and practices for matching programs;
5. Provide interpretation and guidance to the Department's staff on the requirements for matching programs;

6. Serve as the Department's clearinghouse for receiving and giving information on the accuracy, completeness, and reliability of records used in matching programs;
7. Report CMAs to Congress and OMB; and
8. Submit an annual report on matching activities to the Secretary and to OMB and any OMB-required Biennial Matching Activity Report to OMB.

The DIB may also review and report on any Department matching activities that are not defined as matching programs under the Computer Matching and Privacy Protection Act.

D. Regulatory Information Management Services (RIMS) Privacy Officer

The Office of Management (OM)/RIMS Director is the Privacy Officer and is responsible for managing the Department's Privacy Act Program. The Privacy Officer administers activities related to the establishment, alteration or termination of Systems of Records and CMAs. In this capacity, the Privacy Officer or designee shall serve as Secretary to the DIB and perform the following duties and responsibilities:

1. Review and approve regulations and the submission of directives regarding Computer Matching and Privacy Protection Act administration;
2. Review new CMAs, 12-Month Renewals of Existing Matching Programs, Cost-Benefit Analyses, New or Altered Matching Program Notices, and New or Altered Matching Program Reports prior to submission to the Department's DIB; ensure that the foregoing documentation has also been reviewed by the Office of the General Counsel (OGC) prior to submission to the Department's DIB; ensure the submission to the DIBs of both the recipient and source agencies for their review and approval of all new CMAs and 12-Month Renewals of Existing Matching Programs; ensure the submission to both the source and recipient agencies for their review and approval of all new CMAs and 12-Month Renewals of Existing Matching Programs; ensure that the Department's DIB transmits any New or Altered Matching Program Reports to OMB and Congress, ensure that OGC transmits any New or Altered Matching Program Notices for publication in the Federal Register; and transmit to the Principal Office (PO), OGC, and the DIB copies of final CMAs, 12-Month Renewals of Existing Matching Program, Cost-Benefit Analyses, New or Altered Matching Program Notices, and New or Altered Matching Program Reports;
3. Establish a program periodically to review record-keeping policies and practices within the Department, in compliance with the Privacy Act;

4. Consult with OGC on all legal matters related to implementation of the Computer Matching and Privacy Protection Act within the Department;
5. Develop procedures and documents required to implement the Computer Matching and Privacy Protection Act, including reporting formats, directives, reports, and handbooks, in compliance with statutory and regulatory requirements and OMB Guidelines;
6. Provide technical assistance to system and program managers, as needed, in the development of the documentation required for CMAs;
7. Prior to consideration of all CMAs and 12-Month Renewals of Existing Matching Programs by the Department's DIB, review all documentation to ensure compliance with statutory and regulatory requirements, the OMB Guidelines, and Department policy; and
8. Establish and maintain a list of CMA effective dates and expirations.

E. Principal Officers

Principal Officers shall:

1. Oversee the design, negotiation, development, and preparation of CMAs, and all related documents, including any required New or Altered Matching Program Notice when the Department is the Matching Agency, any required New or Altered Matching Program Report when the Department is the Matching Agency, the cost/benefit analysis, the 12-Month Renewal of an Existing Matching Program, and any required Inter-Agency Transfer of Funds Forms.
2. Submit Draft and Final CMAs to the source agency for review and approval.
3. Ensure that clearance actions are coordinated with OGC and the Data Integrity Board through the DIB Secretary as described in Section VII.A.
4. Ensure that all Department employees and contractors in that PO who conduct activities under a matching program are aware of their responsibility for:
 - a. Protecting information on individuals that is in identifiable form in accordance with the provisions of the Privacy Act, as amended; and
 - b. Complying with the terms of CMAs.

F. Office of the General Counsel

OGC is responsible for interpreting the Privacy Act, as amended. OGC will review for legal sufficiency CMAs, 12-Month Renewals of Existing Matching Programs, Cost-Benefit Analyses, any New or Altered Matching Program Notices that are required when the Department is the Matching Agency, and any New or Altered Matching Program Reports that are required when the Department is the Matching Agency. OGC also submits for Departmental clearance any required New or Altered Matching Program Notices and transmits the New or Altered Matching Program Notice to the Federal Register for publication.

G. Inspector General

The Privacy Act provides that the records provided by the source agency can be disclosed to the Office of Inspector General (OIG) if the disclosure is essential to the conduct of the matching program or required by law (5 U.S.C. § 552a(o)(1)(H)). The "required by law" standard is satisfied if the OIG requests access to the records in order to carry out its oversight of Department programs and operations. Section 6(a)(1) of the Inspector General Act requires that the Inspector General be given access to records "which relate to programs and operations with respect to which the Inspector General has responsibilities under" the Inspector General Act. The "essential to conduct of the matching program" standard is satisfied if the matching program uncovers activity warranting civil or criminal law enforcement investigation or prosecution.

H. Contractors

All Department contracts that provide for the design, development, or operation of a system of records on individuals on behalf of the Department to accomplish an ED function must contain provisions from the Federal Acquisition Regulations that apply the requirements of the Privacy Act of 1974, 5 U.S.C. 552a, and applicable agency regulations, 34 C.F.R. Part 5b, to Government contracts. These provisions from the Federal Acquisition Regulations are contained at 48 C.F.R. Subpart 24.1 and 48 C.F.R. Sections 52.224-1 and 52.224-2. Where the contract contains this provision, a contractor and any employee of such contractor shall be considered "employees" of the Department for purposes of the criminal penalties of the Act, 5 U.S.C. 552a(i), as well as the Department employee standards of conduct, contained at 34 C.F.R. Part 5b, Appendix A.

VII. Procedures and Requirements

A. Computer Matching Agreements

1. Requirement. A CMA is required for matching programs.
2. 18-month CMAs

- a. *Periodicity.* CMAs are established for an 18-month period. Within three months prior to the expiration of the 18-month CMA, the DIBs can extend a CMA for a single 12-month period if the matching program will be conducted exactly (or with non-substantive changes) as described in the original CMA and each party to the CMA certifies in writing that the matching program has been conducted in compliance with the CMA .
- b. *Components.* CMAs should include the information listed in Appendix A, Part 1 “CMAs” of this Directive.
- c. *Procedures.*
 - (1) Approximately eight months before the proposed effective date, the PO proposing the CMA considers each of the components listed in Appendix A, Part 1 “CMAs” of this Directive, and prepares documents in consultation with the source/recipient agency. See sample timeframe and process in Appendix C.
 - (2) Approximately six months before the proposed effective date of a CMA, the PO provides the following documents to OGC:
 - Draft 18-month CMA;
 - When the matching program is being continued, the documents used for the expiring matching program: i.e., the existing 18-month CMA, the 12-month draft renewal, the new or altered matching program notice, and the new or altered matching program report;
 - Draft cost/benefit analysis;
 - If the Department is the Matching Agency, the draft, New or Altered Matching Program Notice for publication in the Federal Register; and
 - If the Department is the Matching Agency, the draft new or altered matching program reports to the Administrator of the Office of Information and Regulatory Affairs, OMB and the Chairs of two Congressional committees (House Committee on Government Reform and the Senate Committee on Homeland Security and Governmental Affairs).
 - (3) OGC reviews the documents for legal sufficiency within 30 days and returns to the PO for revision.
 - (4) The PO then completes revisions, obtains concurrence from OGC, and then forwards the proposed documents to the appropriate contact in the counterpart source/recipient agency. (See Appendix C for typical flow.)

- (5) Once both agencies concur, the respective agency Principal Officers that are party to the CMA sign the CMA. If the other party is a Federal agency, then the PO ensures that the other agency's DIB signs the CMA.
- (6) The respective Federal agency Principal Officers then must send the documents (see c(2) of this section) to the PO for the review and clearance by the Department's DIB (electronic versions are preferred).
- (7) The DIB Secretary distributes the package to all DIB members.
- (8) The DIB has the authority to approve or disapprove the proposed CMA. If a majority of the DIB members, and there must be at least four DIB members voting, vote for approval, the DIB Secretary will so note and request the DIB Chairperson officially approve the CMA via signature.
- (9) If the Department is the Matching Agency, then at least 30 days prior to conducting a matching program, the Department must publish a notice of a new or altered matching program in the Federal Register. (See sample timeframe in Appendix C; it may be easier to submit the Federal Register Notice at the same time as the report submission.)
- (10) If the Department is the Matching Agency, then at least 40 days prior to conducting the matching program, (unless a request to OMB for a ten day waiver is approved) the Chairperson of the DIB must transmit a new or altered matching program report to OMB and the two previously noted Congressional Committees. The report to OMB and the two previously noted Congressional Committees must include a copy of the Federal Register notice of a new or altered matching program. The report to the two previously noted Congressional Committees also must include a copy of the executed CMA.
- (11) A CMA will not become effective until the last of the following three dates: (1) 40 days after the new or altered matching program report has been transmitted to OMB and Congress (unless a request to OMB for a ten day waiver is approved); (2) 30 days after publication of a new or altered matching program notice in the Federal Register; or (3) the effective date as specified in the CMA.
- (12) The DIB Secretary will ensure that OGC, the PO, and the DIB have copies of final CMAs, Cost-Benefit Analyses, New or Altered Matching Program Notices, and New or Altered Matching Program Reports.

3. 12-month Renewals of Existing Matching Programs

- a. *Periodicity.* DIBs can renew CMAs for a single 12-month period, within three months prior to the expiration of the 18-month CMA, if the matching program will be conducted exactly (or with non-substantive changes) as described in the original CMA and each party to the CMA certifies in writing to the DIBs that the matching program has been conducted in compliance with the CMA.
- b. *Components.* Renewals should include the information listed in Appendix A, Part 2 “Renewals” of this Directive.
- c. *Procedures.*
 - (1) Renewal activities should begin approximately five months before the expiration date of the 18-month CMA. (See sample timeframe and process in Appendix C.) The CMA may be renewed for an additional 12-months only if the matching program will be conducted without any substantive changes, and both parties certify in writing that the matching program has been conducted in compliance with the CMA.
 - (2) POs shall send to OGC a draft 12-Month Renewal of an Existing Matching Program for a legal sufficiency review and concurrence five months prior to the expiration of the 18-month CMA. Along with the draft 12-Month Renewal, POs shall send OGC the expiring 18-month CMA and the documents related to its effective date, i.e., the new or altered matching program notice and the new or altered matching program report for the expiring CMA.
 - (3) After OGC returns the Renewal to the PO, the PO signs the agreement and makes the necessary written certification.
 - (4) The PO then forwards the proposed Renewal to the other party for signature by that party and if the other party is a Federal agency, the Chairperson of that agency’s DIB.
 - (5) After the other party has signed the 12-month renewal, the PO sends it to the DIB Secretary for the review and clearance of the Department’s DIB (electronic versions are preferred).
 - (6) The DIB Secretary distributes the package to all DIB members. If a majority of DIB members, and there must be a minimum of four DIB members voting, vote for approval, the DIB Secretary will so note and request the DIB Chairperson officially approve the 12-month renewal. The 12-month renewal agreement is effective for the period specified therein, but it is not effective before being signed and approved by the parties and, if the other party is a Federal agency, by the Chairpersons

of both parties' DIBs.

(7) The DIB Secretary will ensure that the PO, the Department's DIB, and OGC have copies of the signed, 12-month renewals.

B. Agency Appeals

If the Department's DIB votes to disapprove a CMA, any party to the CMA may appeal the disapproval to the Director of OMB. If the Department's DIB and the Director of OMB disapprove a CMA proposed by the Inspector General, the Inspector General may report the disapproval to the Secretary and to Congress.

C. Verification and Opportunity to Contest Findings

The Computer Matching and Privacy Protection Act requires that, prior to taking any adverse action against an individual based on the match results, information generated through a matching program must be independently verified. The Computer Matching and Privacy Protection Act also requires that agencies notify matching subjects of adverse information uncovered and provide them an opportunity to contest such findings prior to making a final determination. Where statute or regulation does not establish a time period for the individual to respond to the notice, it is at the end of a 30-day period beginning on the date that notice is mailed or otherwise provided to the individual. The DIB may determine, in accordance with guidance issued by the Director of OMB, that it is appropriate to compress the verification and notice requirements into a single step. This may be the case where there is a high degree of confidence that the information provided to the recipient agency is accurate and/or where the individual subject is the best source for verifying the matched data. To ensure that compression is not a routine process, however, the OMB guidance requires that the DIB must make a formal determination if it decides that it is appropriate to compress the verification and notice requirements as part of a single period.

Independent verification of adverse information requires an investigation of:

- The amount of any asset or income involved;
- Whether the individual actually has access to this asset or income for individual use; and
- The period of time in which the individual actually had possession of the asset or income.

Any required notice period may be waived if the agency determines the public health or safety may be adversely affected or significantly threatened during any notice period required.

If a Federal benefit program providing the records matched has established by statute or regulation its own substantially similar due process requirements, these requirements suffice for the purpose of the Act.

D. Computer Matching Agreements Requiring Funds Transfers

Program Offices must refer to OPEPD:1-101, the ACS Directive on Interagency Agreements (http://wdcrobiis08/doc_img/acs_opepd_1_101.doc), for the procedures involved with funds transfers on Computer Matching Agreements.

Appendix A – Components of CMAs

Part 1 – CMAs (18-month)

1. Title
2. Parties
3. Introduction or Summary Descriptive Statement
4. Purpose and Legal Authority for conducting the matching program
5. Justification and Expected Results Including a Specific Estimate of Any Savings [Cost/Benefit Analysis]
6. Definitions, Matching Terms, and/or Conditions (if helpful)
7. Records Description, including identifying the Privacy Act system of records and routine use disclosures involved, each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program
8. Notice Procedures, including the individualized notice at the time of application and general periodic notice thereafter, and Verification Procedures, as required by 5 U.S.C. § 552a(p)
9. Disposition of Matched Items, including retention and timely destruction of identifiable records
10. Security Safeguards, including administrative, technical, and physical safeguards
11. Records Use, Duplication and Redisclosure Restrictions
12. Privacy Impact Assessment (PIAs require the Department to describe (i) what information is to be collected, (ii) why the information is being collected, (iii) the intended use of the information, (iv) with whom the information will be shared, (v) what opportunities individuals have to decline to provide information and how individuals can grant consent, (vi) how the information will be secured, and (vii) whether a system of records is being created under the Privacy Act, 5 U.S.C. § 552a.) The Department either must ensure that all elements of the PIA are addressed in the CMA or conduct a separate PIA.)
13. Records Accuracy Assessment
14. Comptroller General Access
15. Approval, Duration and Modification of the CMA, including its effective date
16. Points of Contact for the Parties
17. Signatures and any Certifications by the:
 - Parties
 - Agency Data Integrity Board Chairperson(s)

Part 2 – Renewals of Existing Matching Programs (12-month)

1. Title
2. Parties
3. Purpose and Legal Authorities
4. A Statement that the matching program will be conducted without change and non-substantive changes, if any
5. Original Effective Date of the 18-month CMA and the dates of the 12-month renewal
6. Certification by the parties that the matching program has been conducted in compliance with the CMA
7. Signatures by the:
 - Parties
 - Agency Data Integrity Board Chairperson(s)

Appendix B – Guidance for Preparing a CMA Cost/Benefit Analysis

The Computer Matching and Privacy Protection Act (hereinafter the “Act”) requires that a cost/benefit analysis be part of an agency decision to conduct or participate in a matching program. The analysis occurs in two places: (1) in matching agreements, which must include a justification of the proposed match with a specific estimate of any savings, and (2) in the Data Integrity Board review process.

The intent of this requirement is not to create a presumption that when agencies balance individual rights and cost savings, the latter should inevitably prevail. Rather, it is to ensure that sound management practices are followed when agencies use records from Privacy Act systems of records in matching programs. Particularly in a time when competition for scarce resources is especially intense, it is not in the government’s interests to engage in matching activities that drain agency resources that could be better spent elsewhere. Agencies should use the cost/benefit requirement as an opportunity to reexamine programs and weed out those that produce only marginal results.

While the Act appears to require a favorable cost/benefit ratio as an element of approval of a matching program, agencies should be cautious about applying this interpretation in too literal a fashion. For example, the first year in which a matching program is conducted may show a dramatic cost/benefit ratio. However, after it has been conducted on a regular basis (with attendant publicity), its deterrent effect may result in much less favorable ratios. Elimination of such a program, however, may well result in a return to the prematch cost/benefit ratio. The agency should consider not only the actual savings attributable to such a program, but the consequences of abandoning it.

For proposed matches without an operational history, cost/benefit analyses will of necessity be speculative. While they should be based upon the best data available, reasonable estimates are acceptable at this stage. Nevertheless, agencies should design their programs so as to ensure the collection of data that will permit more accurate assessments to be made. As more and more data become available, it should be possible to make more informed assumptions about the benefits and cost of matching.

One source of information about conducting cost/benefit analyses as it relates to matching programs is the Government Accountability Office (GAO) Report, “Computer Matching, Assessing its Costs and Benefits,” GAO/PEMD-87-2, November, 1986 (<http://archive.gao.gov/f0302/131839.pdf>). Agencies may wish to consult this report as they develop methodologies for performing this analysis. Another potential source of information, although it does not specifically address matching agreements, is OMB Circular No. A-94, Revised, “Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs,” October, 1992 (<http://www.whitehouse.gov/omb/circulars/a094/a094.html#14>).

Because matching is done for a variety of reasons, not all matching programs are appropriate candidates for cost/benefit analyses. The Act tacitly recognizes this point by permitting Data

Integrity Boards to waive the cost/benefit requirement if they determine in writing that such an analysis is not required. It should be noted, however, that the Congress expected that such waivers would be used sparingly. The Act itself supplies one such waiver: if a match is specifically required by statute, the initial review by the Board need not consider the benefits and costs of the match. Note that this exclusion does not extend to matches undertaken at the discretion of the agency. However, the Act goes on to require that when the CMA is renegotiated, a cost/benefit analysis covering the preceding matches must be done. Note that the Act does not require the showing of a favorable ratio for the match to be continued, only that an analysis be done. The intention is to provide Congress with information to help evaluate the effectiveness of statutory matching requirements with a view to revising or eliminating them where appropriate.

Other examples of matches in which the establishment of a favorable cost/benefit ratio would be inappropriate are:

- A match of a system of records containing information about nurses employed at VA hospitals with records maintained by State nurse licensing boards to identify VA nurses with impaired licenses, i.e., those who have had some disciplinary action taken against them.
- Selective Service System matching to identify 18-year-olds for draft registration purposes.
- A match whose purpose is to identify and correct erroneous data e.g., Project Clean Data which was run to correct and eliminate erroneous Social Security Numbers.

Appendix C – Process Flow and Sample Scenarios

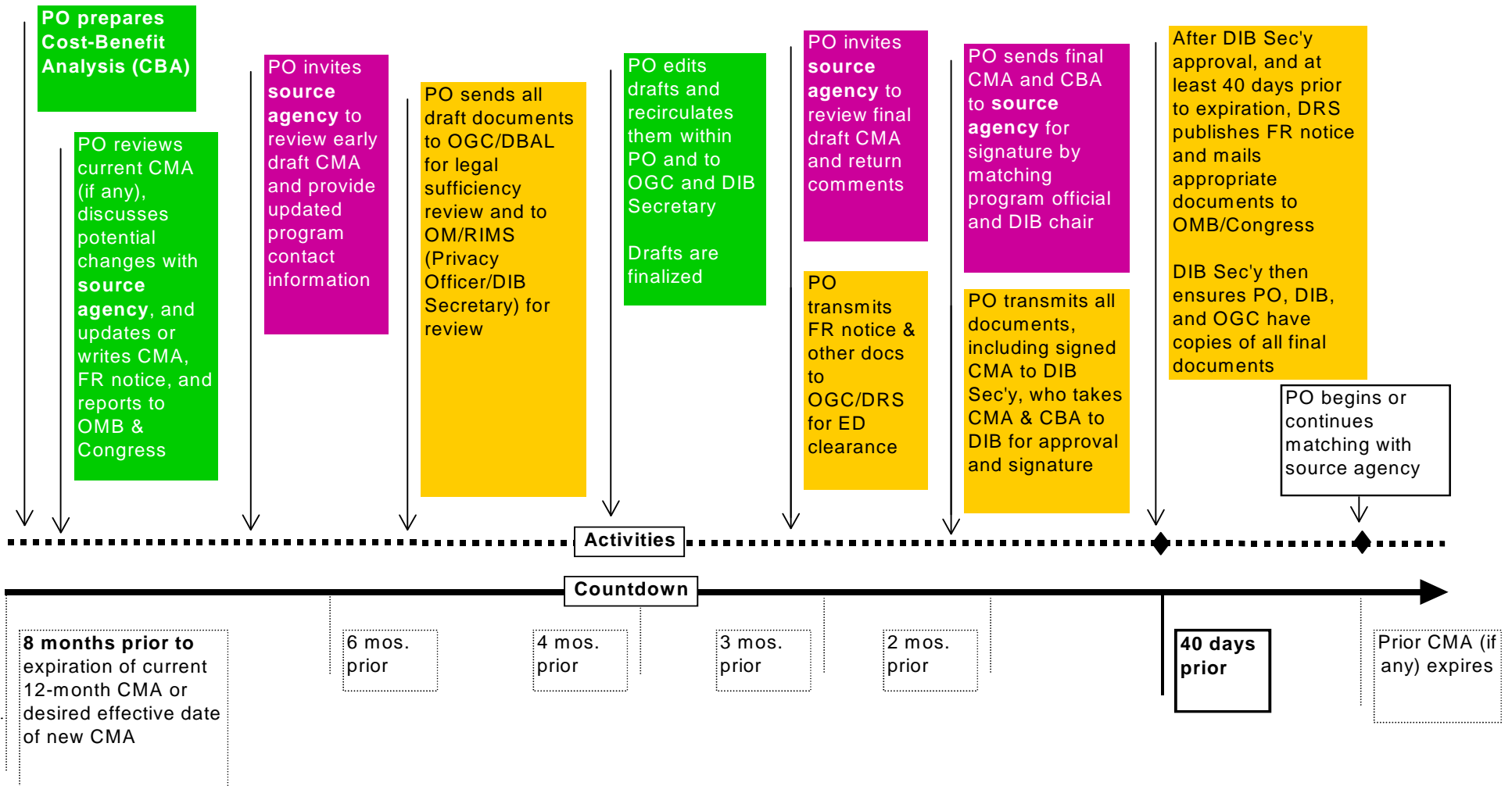
The sample scenarios on the following two pages are high-level depictions of the procedures that are described in Procedures and Requirements, Section VII.A. Their purpose is to provide Principal Office employees who are new to the preparation of Computer Matching Agreements with a clear sense of timing and flow.

For a description of the players in the CMA process, refer back to Responsibilities, Section VI. Principal Officer oversight and approval is a given. However, use of “PO” in the scenarios connotes the additional group of individuals who have been designated by their management to play any role in the CMA’s preparation, including management analysts, program managers, policy liaisons, and/or senior executives.

Important:

The matching program cannot continue in the absence of a signed, unexpired CMA. An 18-month CMA can be extended by a 12-month renewal. When the renewal expires, a new 18-month CMA must be completed in order to continue the matching program. The new CMA can be extended by a 12-month renewal, and so on. Adequate planning is critical in order to avoid gaps in approval that will shut down the matching program.

Sample Scenario 1: 18-Month CMA



Sample Scenario 2: 12-Month Renewal (overlaid on the 18-month scenario to show how the renewal differs)

