



Department of the Treasury

Annual Computer Matching Activity Report

2016



MESSAGE FROM THE CHAIRMAN OF THE TREASURY DATA INTEGRITY BOARD



I am pleased to present the Department of the Treasury's Annual Computer Matching Activity Report for calendar year 2016. This report is being published pursuant to the Privacy Act of 1974, as amended, and guidance issued by the Office of Management and Budget.

Inquiries about this report may be directed to privacy@treasury.gov. This report, as well as previous Computer Matching Activity Reports, can be found on the Department's Privacy Act website at www.treasury.gov/privacy.

Ryan Law
Chairman of the Data Integrity Board
Deputy Assistant Secretary for Privacy, Transparency, and Records



2016 Annual Computer Matching Activity Report

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LEGISLATIVE LANGUAGE AND OMB GUIDANCE

Treasury has prepared the 2016 Annual Computer Matching Activity Report in accordance with the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988 (“Act”), and Office of Management and Budget (OMB) Circular Number A-108, “Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act,” released in 2016. OMB Circular A-108 changed the requirements from submitting the report biennially to submitting the report annually due by June 1. OMB Circular A-108 also modified the terminology for Computer Matching Agreements (CMA) in OMB Circular A-130 from “new” to “establishment,” from “extension” to “renewal,” and from “renewal” to “re-establishment.”

The Privacy Act of 1974, As Amended

Each Data Integrity Board—

(D) shall compile an annual report, which shall be submitted to the head of the agency and the Office of Management and Budget 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 under subsection (o) 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 in paragraph (4) of this section 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 Office of Management and Budget to be included in such report;

OMB Circular Number A-108, “Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act”

At the end of each calendar year, the Data Integrity Board of each agency that has participated in a matching program will collect data summarizing that year’s matching activity. Data Integrity Boards should be prepared to report the data identified below both to the agency head and to OMB:

- a. Current information about the composition of the Data Integrity Board, including:
 - (1) a list of the names and positions of the members of the Data Integrity Board;
 - (2) the name and contact information of the Data Integrity Board’s secretary; and
 - (3) any changes in membership or structure of the Data Integrity Board that occurred during the year.

- b. A list of each matching program in which the agency participated during the year. For each matching program, the report shall include:
 - (1) a brief description of the matching program, including the names of all participating Federal and non-Federal agencies;
 - (2) links to the matching notice and matching agreement posted on the agency’s website at [www.\[agency\].gov/privacy](http://www.[agency].gov/privacy);
 - (3) an account of whether the agency has fully adhered to the terms of the matching agreement;
 - (4) an account of whether all disclosures of agency records for use in the matching program continue to be justified; and
 - (5) an indication of whether a cost-benefit analysis was performed, the results of the cost-benefit analysis, and an explanation of why the agency proceeded with any matching program for which the results of the cost-benefit analysis did not demonstrate that the program is likely to be cost effective.

- c. For each matching program for which the Data Integrity Board waived the requirement for a cost-benefit analysis, the reasons for the waiver.

- d. A description of any matching agreement that the Data Integrity Board disapproved and the reasons for the disapproval.

- e. A description of any violations of matching agreements that have been alleged or identified, and a discussion of any action taken in response.

The Data Integrity Board's annual matching activity report may also include a review of any agency matching activities that are not matching programs.

BACKGROUND

The Act amended the Privacy Act of 1974 to improve oversight of the disclosure of automated Privacy Act records in inter-agency information sharing arrangements known as matching programs and to protect the due process rights of individuals whose records are exchanged in such programs.

Pursuant to the Act, there are two distinct types of matching programs. The first involves the computerized comparison of two or more automated federal personnel or payroll systems of records or a system of federal personnel or payroll records with non-federal records. This type of matching program may be conducted for any purpose. The second involves the computerized comparison of two or more automated systems of records or a system of records with non-federal records. The purpose of this type of matching program must be for the purpose of eligibility determinations or compliance requirements for applicants, recipients, beneficiaries, participants, or providers of services for payments or in-kind assistance under federal benefit programs, or recouping payments or delinquent debts under such federal benefit programs.

The Act protects the rights of individuals by establishing procedural safeguards that must be followed before an agency may take adverse action against an individual as a result of information produced by a matching program. Those safeguards include, but are not limited to, providing notice to the individual of the opportunity to contest information resulting from a matching program, as well as independent verification of the information. To ensure compliance with the Act, as well as all relevant regulations and guidance, agencies proposing to engage in a matching program are required to establish a Data Integrity Board to review such programs and to approve the associated information sharing agreements ("matching agreements"). As the Department of the Treasury ("Department" or "Treasury") participates in matching programs, it has established a Data Integrity Board.

Treasury Directive 25-06, "The Treasury Data Integrity Board," governs the operations of the Treasury Data Integrity Board ("Board"). Pursuant to the Act, the Board consists of the Senior Agency Official responsible for the implementation of the Act (the Assistant Secretary for Management), the Inspector General, and other senior level officials appointed to serve as members of the Board.

TREASURY DATA INTEGRITY BOARD

Treasury Data Integrity Board (DIB) composition changes in 2016 are as follows:

- Chairman of the DIB from Helen Goff Foster to Ryan Law;
- Assistant Secretary for Management from Brodi Fontenot to Kody Kinsley;
- Deputy Assistant Secretary for Information Systems and Chief Information Officer from Robyn East to Sonny Bhagowalia; and
- Director for Privacy, Governmental Liaison, and Disclosure from Mary Howard to Edward Killen.

2016 Data Integrity Board

Ryan Law
Chairman of the Data Integrity Board
Deputy Assistant Secretary for Privacy, Transparency, and Records
Departmental Offices

Kody Kinsley
Assistant Secretary for Management and Senior Agency Official for Privacy
Departmental Offices

Eric Thorson
Inspector General
Office of the Inspector General

Edward Killen
Director for Privacy, Governmental Liaison, and Disclosure
Internal Revenue Service

David Ambrose
Chief Security Officer and Chief Privacy Officer
Bureau of the Fiscal Service

Timothy Camus
Deputy Inspector General for Investigations
Treasury Inspector General for Tax Administration

Richard Dodson
Attorney-Advisor
Departmental Offices

Sonny Bhagowalia
Deputy Assistant Secretary for Information Systems and Chief Information Officer
Office of the Chief Information Officer
Departmental Offices

Patrick Mezzetta
Office of the Deputy Chief Financial Officer
Departmental Offices

Dayo Simms, Secretary
Acting Privacy Act Officer
Departmental Offices
Office of Privacy, Transparency, and Records

Matching Programs for Calendar Year 2016

In calendar year 2016, the Board reviewed and approved one established, four re-established, and three 12-month renewal matching agreements. During this period, one matching agreement expired. The Board did not disapprove any of the proposed agreements and all requested extensions were granted. No violations of any of the Department's matching agreements were alleged or identified.

Internal Revenue Service (IRS)

Disclosure of Information to Federal, State and Local Agencies Data Exchange

Brief Description: The Disclosure of Information to Federal, State and Local Agencies (DIFSLA) Data Exchange program reduces fraud and abuse in certain federally assisted benefit programs. Agencies participating in the program receive income and payer identity information from the IRS Information Returns Master File, a system of records that is used to reduce fraud and abuse in programs pursuant to the Social Security Act, The Food Stamp Act of 1977, Title 38 of the United States Code (veterans' benefits), and certain housing assistance programs. Information is disclosed to agencies only as necessary to determine eligibility and/or the correct amount of benefits for individuals applying for or receiving benefit payments under these programs. There are three federal and 53 state agencies participating in the DIFSLA Program. A list of agencies participating in the DIFSLA matching program can be found in Appendix I.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. Notice of the DIFSLA Data Exchange program was last published in the Federal Register at 80 FR 59245 (October 1, 2015). During this reporting period, three federal and 53 state agencies participated in the DIFSLA program.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost-Benefit: Treasury/IRS performed a cost-benefit analysis and concluded the following:

All Agencies: The ratio of benefit to cost for this program is \$4.91: 1

State Agencies: \$7.10: 1
Federal Agencies: \$3.49:1

The ratios above show that the benefits exceed the costs; this supports the continuation of the DIFSLA matching program.

Taxpayer Address Request Program

Brief Description: The Taxpayer Address Request (TAR) program CMA includes two CMAs that are listed below:

A. Department of Justice: IRC § 6103(m)(2) provides for disclosure, upon written request, of a taxpayer's mailing address for use by officers, employees, or agents of a Federal agency for the purpose of locating such taxpayer to collect or compromise a Federal claim against the taxpayer in accordance with sections 3711, 3717, and 3718 of title 31 of the U.S. Code.

B. Department of Education: IRC § 6103(m)(4) of the IRC provides for disclosure, upon written request by the Secretary of Education, of the mailing address of a taxpayer who: (1) owes an overpayment of a grant awarded to such taxpayer under subpart 1 of Part A of title IV of the HEA; or (2) has defaulted on a loan made under part B, D, or E of title IV of the HEA.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>.

A: The Department of Justice published notice in the Federal Register, at 79 FR 67192 (November 12, 2014). The re-established computer matching agreement for this program covered the period of December 16, 2014 through June 23, 2016. On June 7, 2016, a 12 month renewal CMA was executed through June 23, 2017. This CMA will be re-established on June 23, 2017 to December 23, 2018.

B: Department of Education (ED): A renewal CMA was in place through January 5, 2015. The CMA was not renewed because ED has technology issues that prevent the agency from exchanging data. ED expects to resolve the issues and subsequently enter into a CMA to resume the data matching with IRS. This CMA is now expired.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost-Benefit: Treasury/IRS performed a cost-benefit analysis and concluded the following: The ratio of benefit to cost for this program is:

DOJ: \$109.77:1
ED: \$151.88:1

The ratios above show that the benefits exceed the costs; this supports the continuation of the Taxpayer Address Request (TAR) matching program.

IRS Data Loss Prevention Project

Brief Description: The IRS has the responsibility to ensure that information is kept confidential as required by the Internal Revenue Code, Privacy Act of 1974, the Bank Secrecy Act, Title 18 of the United States Code, The Federal Information Security Management Act (FISMA), and other applicable laws that require safeguarding of information. Confidential information that is sent without sufficient protection is a violation of IRS Security Policy. The IRS matches computerized data to detect and deter breaches of security policy by IRS employees, contractors, or other individuals who have been granted access to IRS information, or to IRS equipment and resources, who send electronic communications in an unsecure, unencrypted manner.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. IRS published notice in the Federal Register at 81 FR 1997 (January 14, 2016). This is an internal agreement. The re-established CMA covers the period of February 23, 2016 through August 23, 2017 it has been renewed to August 8, 2018.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/IRS performed a cost-benefit analysis and concluded that the cost-benefit ratio for this program is not quantifiable. This computer matching program is expected to aid in the deterrence, detection, and remediation of security violations by IRS and counsel employees, contractors, and other individuals who have been granted access to IRS information, or to IRS equipment and resources. The IRS matching program may also identify control weaknesses in IRS systems or employee/contractor educational opportunities. In most instances, the use of computer matching in the identification of unauthorized disclosures of taxpayer information and criminal or administrative misconduct by IRS employees/contractors does not result in monetary benefits to the government. However, in the event the IRS loses control of personally identifiable information, i.e. unencrypted electronic transmissions outside of the IRS network, the IRS must review/analyze/assess the potential impact to the individual(s). The current estimated average cost for this process is \$84 per incident. For each instance deterred and/or impeded there is a direct savings, but projecting/reporting the expected amount is not possible. Some intangible benefits that are impossible to measure by conventional methods are the deterrent effect of the IRS matching program (e.g., deterring employees from making unauthorized disclosures of confidential information) and continued confidence of the American public that the IRS will protect their data.

Medicare Prescription Drug Subsidy Program

Brief Description: IRC § 6103(l)(7) provides for the use of certain return information by agencies administering certain programs under the Social Security Act. IRS discloses to SSA certain return information for the purpose of verifying eligibility or the correct subsidy percentage of benefits provided under section 1860D-14 of the Social Security Act (Act) (42 U.S.C. § 1395w-114). Section 1860D-14 of the Act requires the Commissioner of SSA to determine the eligibility of applicants for the prescription drug subsidy who self-certify their income, resources, and family size. Pursuant to section 1860D-14(a)(3) of the Act (42 U.S.C. §

1395w-114(a)(3)), SSA must determine whether a Social Security Part D eligible individual is a subsidy-eligible individual, and whether the individual is an individual as described in section 1860D-14(a).

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. SSA published notice in the Federal Register at 80 FR 18673 (April 7, 2015). A renewal was approved for this agreement through May 2015. A re-established CMA was executed covering the period of May 11, 2015 through November 10, 2016. On September 26, 2016, a 12-month renewal CMA was executed through November 10, 2017.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/IRS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program is \$17.47:1. The ratio shows that the benefits exceed the costs; this supports the continuation of the Medicare Prescription Drug Subsidy matching program.

Income-Related Adjustments to Medicare Premiums

Brief Description: IRC § 6103(1) (20) authorizes IRS to disclose specified return information to SSA with respect to taxpayers whose Part B and/or prescription drug coverage insurance premium(s) may (according to IRS records) be subject to premium subsidy adjustment pursuant to section 1839(i) or premium increase pursuant to section 1860D-13(a) (7) of the Social Security Act for the purpose of establishing the amount of any such adjustment or increase. The return information IRS discloses includes adjusted gross income and specified tax-exempt income.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. SSA published notice in the Federal Register at 80 FR 48950 (August 14, 2015). The re-established CMA covered the period of October 1, 2015 through March 31, 2017. On March 9, 2017, a 12 month renewal CMA was executed through March 31, 2018.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/IRS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program is: \$ 8,099.2 to 1. The ratio shows that the benefits exceed the costs; this supports the continuation of the Income-Related Adjustments to Medicare Premiums matching program.

Insurance Affordability Programs and Exemptions

Brief Description: IRC § 6103(l)(21) authorizes the IRS to disclose certain items of return information to the Centers for Medicare and Medicaid Services (CMS) as a part of the eligibility determination process for programs covered by various sections of the Patient Protection Affordable Care Act (ACA). When individuals apply for enrollment in one of the programs covered by ACA, they receive an Eligibility Determination for the participation in the Affordability Program. IRS data consists of the applicant family size and household income pertaining to the most recent tax year for which such data is available from the *Treasury/IRS 24.030 Customer Account Data Engine (CADE) Individual Master File* system of records.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. CMS published notice in the Federal Register at 81 FR 8075 (February 17, 2016). A renewal CMA was in place from April 2, 2015 through April 1, 2016. A reestablished CMA was executed from April 2, 2016 through October 2, 2017.

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/IRS performed a cost-benefit analysis and concluded that the cost-benefit ratio for this program is not quantifiable. CMS serves as both a recipient agency (with respect to TDS and certain Medicaid/CHIP programs) and a source agency (with respect to Administering Entities). Many of CMS's costs cannot be cleanly attributed to its role as either a source or a recipient agency. CMS estimates the computer (system) costs of maintaining the Data Services Hub that facilitates the computer matching program is \$136.8 million. In contrast, the computer costs associated with a manual verification process would be approximately \$1.8 billion. CMS believes that the use of a centralized, streamlined, electronic computer matching program increases the general public's confidence in state health subsidy programs given present-day electronic capabilities and the pervasiveness of electronic, real-time processes. Additional benefits from the matching program to clients are also not quantifiable. By building public confidence in the state health subsidy programs, the computer matching program decreases the stigma of participating in a state health subsidy program.

TIGTA Match – Treasury Inspector General for Tax Administration Match

Brief Description: The Treasury Inspector General for Tax Administration (TIGTA) performs computer matching activities to identify potential misconduct by IRS employees. These computer matches detect integrity breaches and violations by matching IRS files such as personnel records, taxpayer account records, employee tax records and record of computer usage on the internet that have certain patterns of activity characteristic of fraud and abuse.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. Notice was published in the Federal Register at 79 FR 179 dated September 16, 2014, pages 55535- 55536. The Renewal Matching Agreement for this program covers the period of September 14, 2014 through March 14, 2016 and an extension CMA was executed through March 9, 2017. A Renewal CMA is currently in place through September 9, 2018

Compliance: Treasury/IRS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/IRS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/IRS performed a cost-benefit analysis and concluded that the cost-benefit ratio for this program is not quantifiable. Significant staff/resource savings result from automating the matching efforts. The manual comparison of IRS computerized data is impossible due to the millions of records contained in each database. The benefits of TIGTA's computer matching program are generally measured in terms of referrals to the United States Attorney for prosecution and referrals to IRS management for appropriate administrative action taken against employees who have engaged in misconduct or illegal acts. In most instances, the use of computer matching in the identification of unauthorized accesses to taxpayer information and criminal or administrative misconduct by IRS employees does not result in monetary benefits to the government; however, during FY2013 financial recoveries in the amount of \$4,453.12 resulted from investigations utilizing computer matching. The cost of conducting this program of computer matches was \$17,504.70 or an average of \$114.41 per investigation developed (153 total cases) during FY2013. An intangible benefit that is impossible to measure by conventional methods is the deterrent effect of TIGTA's matching program (e.g., deterring employees from accessing unauthorized confidential information in violation of the law).

Treasury-SSA-HHS Project 241 - Medicare Secondary Payer Program

Brief Description: The purpose of this agreement was to establish the Computer Matching Agreement between the Department of the Treasury, Internal Revenue Services, and the Social Security Administration, and the Department of Health and Human Services, Centers for Medicare & Medicaid Services for the Medicare Secondary Payer Program. The agreement established the conditions under which: (1) IRS agreed to disclose return information relating to taxpayer identity to SSA, and (2) SSA agreed to disclose return information relating to beneficiary and employer identity, commingled with information disclosed by the IRS, to CMS.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. Notice was published in the Federal Register, Vol. 79, No. 18 / Tuesday, January 28, 2014 / Notices 4474, <https://www.gpo.gov/fdsys/pkg/FR-2014-01-28/pdf/2014-01566.pdf>.

Compliance: Treasury-SSA-HHS fully adhered to the terms of the matching agreement. That agreement expired August of 2016. An update is not required because matching was to stop July 1, 2016 due to a regulatory change.

Disclosure Justification: Treasury-SSA-HHS has found that all disclosures are no longer needed since this agreement is not required due to a regulatory change.

Cost Benefit: Treasury-SSA-HHS cost-benefit analysis is not applicable, since this program expired in July of 2016. When the matching agreement was effective, Treasury-SSA-HHS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program was: \$171 to 1.

Bureau of the Fiscal Service (BFS)

Fiscal Service-SSA Supplemental Security Income, CMA 1038

Brief Description: The purpose of this agreement is to establish the conditions, safeguards, and procedures for the disclosure of savings security data by the Fiscal Service to SSA. Fiscal Service will disclose the data through a computer matching operation. SSA will use the data to determine continued eligibility for and/or the correct benefit amount for Supplemental Security Income (SSI) applicants and recipients who did not report or incorrectly reported ownership of savings securities.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. Notice was published in the Federal Register at 81 FR 29606 (May 12, 2016). The reestablished agreement expires December 25, 2017. <https://www.gpo.gov/fdsys/pkg/FR-2016-05-12/pdf/2016-11175.pdf>.

Compliance: Treasury/BFS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/BFS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/BFS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program is \$2.5 to 1. The ratio shows that the benefits exceed the costs; this supports the continuation of the Fiscal Service-SSA Supplemental Security Income CMA 1038 matching program.

Fiscal Service-SSA Medicare Part D Prescription Drug Benefit Program, CMA 1304

Brief Description: This computer matching agreement between the Bureau of the Fiscal Service (Fiscal Service), Department of the Treasury and the Social Security Administration (SSA) sets forth the conditions, terms, and safeguards under which Fiscal Service will disclose ownership of Savings Securities to SSA. This disclosure will provide SSA with information necessary to verify an individual's self-certification of his or her financial status to determine eligibility for low income subsidy assistance (Extra Help) in the Medicare Part D prescription drug benefit program established under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173). This agreement does not relate to nor in any way changes any other data exchange agreement between Fiscal Service and SSA. This agreement is separate and distinct for the purpose described above.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. The notice was published in the Federal Register at 81 FR 9921 (February, 26, 2016), <https://www.federalregister.gov/documents/2016/02/26/2016-04123/privacy-act-of-1974-as-amended-computer-matching-program-ssadepartment-of-the-treasury-bureau-of-the>

Compliance: Treasury/BFS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/BFS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/BFS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program is \$ 18.6 to 1. The ratio shows that the benefits exceed the costs; this supports the continuation of the Fiscal Service-SSA Supplemental Security Income CMA 1038 matching program.

Treasury Offset Program (TOP) Computer Matching Program

Brief Description: The Debt Collection Improvement Act of 1996 (DCIA) amended the administrative offset statute, 31 U.S.C. 3716, to statutorily provide for centralized administrative offset by disbursing officials of the United States. TOP is a computer matching program when it is matching certain types of debts against certain types of payments. The Debt Collection Improvement Act of 1996 provides authority for Treasury to waive subsections (o) and (p) of 5 U.S.C. 552a (relating to computer matching agreements and post-offset notification and verification), which has been done. A copy of the waiver is attached. Therefore, no CMA is required for TOP.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. The program will continue indefinitely, or until the waiver from the requirements of 5 U.S.C. 552a(o) and (p) is revoked. Notice is published in the Federal Register at 62 FR 45699 (August 28, 1997), <https://www.gpo.gov/fdsys/pkg/FR-1997-08-28/pdf/97-22938.pdf>.

Compliance: Treasury/BFS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/BFS has found that all disclosures continue to be justified.

Cost Benefit: Cost Benefit Analysis is not required for the TOP to conduct matching program activities, due to the Treasury Authorized Waiver of Privacy Act requirements for Matching Programs.

Fiscal Service-Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), CMA 1402

Brief Description: The purpose of this matching program is to reduce improper payments by authorizing Fiscal Service to provide CMS, through the U.S. Department of the Treasury's Working System as defined by OMB Memorandum M-13-20 (Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative), identifying information from Fiscal Service's SOR Treasury/Fiscal Service .023 about individuals and entities excluded from receiving federal payments, contract awards, and other benefits. The information resulting from this matching program will be provided to CMS for use in determining whether an individual or entity is eligible to receive federal payments, contract awards, or other benefits. The CMS Center for Program Integrity intends to use information resulting from this matching program in a variety of activities related to the enrollment of healthcare professionals, to check payments made to providers and physicians, to verify that providers submitting claims are not deceased, and to collect debts owed to federal or state governments. Using a CMP for this purpose eliminates the need for each payment, procurement and benefit program to execute several

Memoranda of Agreements with multiple federal agencies, provides access to up-to-date information, and avoids the need to manually compare files.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. The CMA is effective for three years: Oct 08, 2014 – Oct 08, 2017. The notice is available in the Federal Register at 79 FR 53201 (September, 8, 2014), <https://www.federalregister.gov/documents/2014/09/08/2014-21240/privacy-act-of-1974>.

Compliance: Treasury/BFS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/BFS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/BFS performed a cost-benefit analysis and determined that the benefit to cost ratio was approximately 171:1. The ratio shows that the benefits exceed the costs; this supports the continuation of the CMA 1402 matching program.

Fiscal Service-Department of Housing and Urban Development (HUD)

Brief Description: This computer matching agreement (agreement) sets forth the terms, conditions, safeguards, and procedures under which the Fiscal Service will disclose to HUD. Pursuant to the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) and Office of Management and Budget (OMB) Memorandum M-13-20, this matching agreement covers a DNP matching program conducted for the purposes of the Do Not Pay Initiative and involves the recipient agency, HUD, receiving results from an automated comparison between HUD Systems of Records and one or more of the Privacy Act-protected data sources (a.k.a. restricted data sources) contained within Treasury's Working System.

Link: The matching notice can be found here: <https://www.treasury.gov/privacy/Computer-Matching-Programs/Pages/default.aspx>. The notice establishing the matching program is available in the Federal Register at 81FR 94402 (December 23, 2016), <https://www.federalregister.gov/documents/2016/12/23/2016-30914/privacy-act-of-1974-notice-of-a-computer-matching-program-between-the-department-of-housing-and>. The program expires June 23, 2018.

Compliance: Treasury/BFS has fully adhered to the terms of the matching agreement.

Disclosure Justification: Treasury/BFS has found that all disclosures continue to be justified.

Cost Benefit: Treasury/BFS performed a cost-benefit analysis and concluded that the ratio of benefit to cost for this program shows that the benefits exceed the costs. HUD has approximately 57,000 payments to grantees, public housing agencies, and property owners (collectively, "payees") that need to be run through Treasury's Working System. By putting a CMA in place with DNP, HUD will be able to match files in bulk via the batch and/ continuous monitoring functionality. Without a CMA, those payments can only be matched one at a time using online single search (OSS) functionality. Using OSS to individually run that many payments through the Treasury's Working System requires many more working hours than using the batch or

continuous monitoring functionality. To illustrate, if a HUD employee or contractor is able to perform 25 payee searches per hour, then running 57,000 HUD payees would take:

- $(57,000 \text{ payments}) / (25 \text{ Grantees searched per hour}) = 2,280 \text{ Hours}$
- Most employees work a standard 8 hour business day, so running the entire 57,000 grantees would take: $(2,280 \text{ Hours}) / (8 \text{ Hour Business Day}) = 285 \text{ Business Days}$

Therefore, assuming that an average HUD employee or contractor can perform 25 online single searches per hour, HUD is expending 285 employee/contractor business days per year matching against Treasury's Working System. Time spent entering data one record at a time represents valuable time taken away from core job functions, such as making grant awards, tracking programmatic compliance with grants and contracts, monitoring, and closing out grants and contracts. Time is a critical commodity for HUD. By leveraging the Treasury's Working System batch and/ continuous monitoring functionality HUD will benefit from time and money savings. This will improve HUD's ability to provide better service to its beneficiaries and achieve Departmental goals.

APPENDIX I: AGENCIES PARTICIPATING IN THE DIFSLA DATA EXCHANGE PROGRAM

Federal Agencies

1. Social Security Administration

2. Veterans Benefit Administration
3. Veterans Health Administration

State Agencies

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

42. Pennsylvania Department of Public Welfare
43. Rhode Island Department of Human Services
44. South Carolina Department of Social Services
45. South Dakota Department of Social Services
46. Tennessee Department of Human Services
47. Texas Health & Human Services Commission
48. Utah Department of Workforce Services
49. Vermont Department for Children and Families
50. Virginia Department of Social Services
51. Washington Department of Social & Health Services
52. West Virginia Department of Health and Human Services
53. Wisconsin Department of Health Services
54. Wyoming Department of Family Services

APPENDIX II: AGENCIES PARTICIPATING IN THE TREASURY OFFSET PROGRAM

Federal Agencies

Administrative Office of the U.S. Courts
Air Force Services Agency - HQ
American Battle Monuments Commission
Appalachian Regional Commission
Architect of the Capitol
Armed Forces Retirement Home
Army and Air Force Exchange Service
Bureau of Engraving & Printing
Bureau of Indian Affairs
Centers for Medicare Services (NGS)
Central Intelligence Agency
Commodity Futures Trading Commission
Corporation for National & Community Service
Court of Appeals for Veterans Claim
Court Services and Supervision Agency
Defense Finance and Accounting Service
Defense Logistics Information Services
Defense Threat Reduction
Denali Commission
Department of Agriculture - Animal Plant Health Inspection Service
Department of Agriculture - Food and Nutrition Service
Department of Agriculture - National Finance Center
Department of Agriculture - Risk Management Agency
Department of Agriculture - Rural Development
Department of Agriculture, Farm Service Agency
Department of Commerce
Department of Defense Dependent Schools
Department of Education
Department of Energy
Department of Health & Human Services
Department of Homeland Security
Department of Housing & Urban Development
Department of Immigration Health Service
Department of Justice
Department of Justice - Bureau of Prisons
Department of Justice - Drug Enforcement Administration
Department of Labor
Department of State
Department of the Interior
Department of the Navy
Department of the Treasury

Department of the Treasury - Financial Management Service
Department of the Treasury / Bureau of the Public Debt
Department of Transportation
Department of Veterans Affairs
DHHS Food and Drug Administration
DOI - Office of Surface Mining
Domestic Nuclear Detection Office
Environmental Protection Agency
Equal Employment Opportunity Commission
Executive Office of the President
Export Import Bank of the U.S.
Farm Credit Administration
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Election Commission
Federal Emergency Management Agency
Federal Energy Regulatory Commission
Federal Housing Finance Board
Federal Labor Relations Authority
Federal Maritime Commission
Federal Mediation & Conciliation
Federal Mine Safety
Federal Retirement Thrift Investment Board
Federal Trade Commission
Financial Management Service
General Accounting Office
General Services Administration
Health and Human Service
Immigration & Naturalization Services
Inter-American Foundation
Internal Revenue Service
International Boundary & Water Commission
International Broadcasting Bureau
Marine Corps Exchange
Merit System Protection Board
Millennium Challenge Corporation
National Aeronautics and Space Administration - Headquarters
National Capital Planning Commission
National Credit Union Administration
National Endowment for the Arts
National Labor Relations Board
National Mediation Board
National Science Foundation
National Security Education Program
National Transportation Safety Board
Navy Exchange Service Command NEXCOM

Occupational Safety & Health Review
Office of Personnel Management
Overseas Private Investment Corporation
Pension Benefit Guaranty Corporation
Presidio Trust
Railroad Retirement Board
Securities and Exchange Commission
Selective Service System
Small Business Administration
Smithsonian Institution
Social Security Administration
Transportation Security Administration
U. S. Agency for International Development
U.S. Army Corps of Engineers
U.S. Chemical Safety and Hazard
U.S. Commission on Civil Rights
U.S. Consumer Product Safety Commission
U.S. Customs & Border Protection
U.S. Holocaust Memorial Museum
U.S. House of Representatives
U.S. Information Agency
U.S. International Trade Commission
U.S. Naval Hospital Naples Italy
U.S. Naval Hospital Yokota Japan
U.S. Nuclear Regulatory Commission
U.S. Office of Govt. Ethics
U.S. Peace Corps
U.S. Secret Service
United States Capitol Police
United States Department of Justice
United States Postal Service
United States Tax Court
USDA - Valles Caldera Trust

State Agencies

Alabama Department of Revenue
Arizona Department of Revenue
Arkansas DFA - Revenue
California Department of Revenue
California Franchise Tax Board
Colorado Department of Revenue
Commonwealth of Kentucky
Connecticut Department of Labor
Connecticut Department of Revenue
Delaware Department of Revenue

District of Columbia
Georgia Department of Revenue
Hawaii Department of Taxation
Idaho State Tax Commission
Illinois Department of Revenue
Indiana Department of Revenue
Iowa Department of Revenue
Kansas Department of Revenue
Louisiana Department of Revenue
Massachusetts Department of Revenue
Michigan Department of Labor
Minnesota Department of Revenue
Mississippi State Tax Commission
Missouri Department of Revenue
Montana Department of Revenue
Nebraska Department of Revenue
New Jersey Division of Taxation
New Mexico Taxation & Revenue Department
New York State Department of Labor
New York State Department of Taxation & Finance
North Carolina Department of Revenue
North Dakota State Tax
Ohio Department of Taxation
Oklahoma Tax Commission
Oregon Department of Revenue
Pennsylvania Department of Revenue
Rhode Island Department of Revenue
South Carolina Department of Revenue
State of Maryland
State of Maine Revenue Services
State of New Jersey
State of Wisconsin DWD-UI
Utah Department of Workforce Services
Utah State Tax Commission
Vermont Department of Taxes
Virginia Department of Taxation
West Virginia State Tax Department
Wisconsin Department of Revenue