

PRIVACY MATTERS

Computer Matching Programs

APPROVAL/TRANSMITTAL

This manual section provides policies and procedures pertaining to the conduct of computer matching programs by the Office of Inspector General (OIG) under the procedural requirements of the Privacy Act of 1974 (5 U.S.C. 522a) as amended by the Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100-503). This section also provides policy and procedures pertaining to the representation and voting on the USDA Data Integrity Board, a formal decision making board within the Department for oversight of the computer matching process within USDA. This supersedes IG-1425, dated April 1988. Remove and destroy previous editions.

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Inspector General

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A. BACKGROUND

The requirements for the implementation of the Privacy Act of 1974, 5 U.S.C. § 552a, were enumerated in the Office of Management and Budget's Privacy Act Guide-lines, 40 Fed. Reg. 28948 (July 9, 1975), supplemented at 56741 (1975) and 49 Fed. Reg. 12388 (1984). The Privacy Act was amended by Pub. L. 100-503, the Computer Matching and Privacy Protection Act of 1988, ("The Computer Matching Act") to establish procedural safeguards affecting agencies' use of Privacy Act records when conducting computer matching programs. The Computer Matching Act added sections 552a(o)-(q) to ensure the integrity, privacy, and verification of data used in computerized matching operations. The purpose of such data matches is to compare information in an effort to reduce fraud, waste, and abuse in Federal benefits programs.

Guidance on implementing the Computer Matching Act's provisions in conducting agency computer matching programs and establishing a Data Integrity Board within each Executive Agency has been provided by the Office of Management and Budget (OMB), in Guidelines on the Conduct of Matching Programs, 54 Fed. Reg. 25818 (June 19, 1989), and in Appendix I to OMB Circular No. A-130, Federal Agency Responsibilities

Distribution: D

Date: December 15, 1997

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for Maintaining Records About Individuals, 61 Fed. Reg. 6428 (Feb. 20, 1996). Secretary's Memorandum 3450-1, Establishment of a Data Integrity Board, dated August 2, 1989, implements the Computer Matching Act's Data Integrity Board provisions in USDA to coordinate and oversee USDA agency activities in performing computer matches. The Inspector General, or his representative, has been designated as one of the Board's two permanent voting members.

B. POLICY

OIG shall acquire, protect and disclose matching records, and conduct all pertinent matching programs in accordance with the provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), Computer Matching and Privacy Protection Act of 1988 (Pub. L. 100-503), OMB guidelines, USDA regulations, and this directive. All qualified computer matches are subject to the disclosure and privacy protection provisions of the Privacy Act, the Computer Matching Act, the implementation instructions by OMB, and Departmental oversight by the USDA Data Integrity Board.

C. DEFINITIONS

All terms defined in the Privacy Act of 1974 apply to this section including the following terms.

1. Matching Program

a. Any computerized comparison of:

(1) Two or more automated Federal systems of records or a Federal system of records with non-Federal records for the purpose of (a) establishing or verifying the eligibility of, or continuing compliance with statutory and 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 (b) recouping payments or delinquent debts under such Federal benefit programs; or

(2) two or more automated Federal personnel or payroll systems or records or a system of Federal personnel or payroll records with non-Federal records.

b. The term, "matching program" does not include:

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(1) Matches performed to produce aggregate statistical data without any personal identifiers;

(2) matches performed to support any research or statistical project, the specific data of which may not be used to make decisions concerning the rights, benefits, or privileges of specific individuals;

(3) matches performed by an agency (or component thereof) which performs, as its principal function, any activity pertaining to the enforcement of criminal laws, subsequent to the initiation of a specific criminal or civil law enforcement investigation of a named person or persons for the purpose of gathering evidence against such person or persons;

(4) tax administration matches;

(5) routine administrative matches using predominantly Federal personnel records between a Federal agency and Federal agencies for routine administrative purposes where the purpose of the match is not to take any adverse financial, personnel, disciplinary, or other adverse action against Federal personnel;

(6) internal agency matches using only records from the agency's system of records provided no adverse financial, personnel, disciplinary, or other adverse intent against Federal personnel motivates the match. For example, a match between FSA's employee records with RD's records is not considered a matching program if no adverse intent against any Federal employee is anticipated at the outset of the match. If adverse intent is planned, then it is a matching program; and

(7) background investigations and foreign counter-intelligence matches.

2. Matching Agency - Generally the recipient Federal agency (or the Federal source agency in a match conducted by a nonfederal agency) is the matching agency and is responsible for meeting the reporting and publication requirements associated with the matching program unless in large multi-agency matches, where the recipient Federal agency is merely performing the matches and the benefits accrue to the source agencies. Example, SSA performing computer matches for VA and USDA systems of records as source agencies.

3. Source Agency - A Federal agency which discloses records from a system of records to another Federal agency or State or local agency to be used in a matching

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program. It is also a State or local agency that discloses records to a Federal agency to be used in a matching program.

4. Recipient Agency - A Federal agency or its contractor which receives records from the Privacy Act systems of records of other Federal agencies, or from State or local governments, to be used in matching programs defined by the Act.

5. Nonfederal Agency - A State or local agency that receives or provides records in a matching program with a Federal agency.

6. 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.

7. Record - Any information under the Privacy Act pertaining to an individual that is stored in an automated system of records, **e.g.**, a data base containing information about an individual that is retrieved by name, social security number, or other personal identifier.

8. System of Records - A collection of Privacy Act records from which an agency retrieves information by reference to an individual's unique identifier.

9. Hit - The identification, through a matching program, of a specific individual that fits the purpose of adverse intent of the match.

10. Matching Purpose - The qualified match of records with intended adverse action must have as its purpose one or more of the following:

- a. Establishing or verifying initial or continuing eligibility for Federal benefit programs;
- b. verifying compliance with the requirements--either statutory or regulatory--of such programs; or
- c. recouping payments or delinquent debts under such Federal benefit programs.

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11. Mandatory Matching Elements - The following four elements must all be present before a matching program is covered under the provisions of the Computer Matching Act:

- a. Computerized comparison;
- b. categories of covered subjects, i.e., applicants, beneficiaries, or providers of services to receive Federal benefits;
- c. Federal benefit programs; and
- d. matching purpose.

12. Data Integrity Board - Formal organization in USDA required by the Computer Matching Act and implemented by Secretary's Memorandum 3450-1 to coordinate and oversee USDA activities in implementing the Act. The Board is composed of senior officials of USDA including the Inspector General. The Board is required to report annually to OMB on USDA matching activities. Administrative support for the Board is provided by the Office of Communications.

#### D. PROCEDURES

##### 1. Inspector General as a Member of the USDA Data Integrity Board

The Inspector General (IG) serves as one of two mandatory (by law) members on the Data Integrity Board which oversees all matching activities. The other mandatory member of the Board is the Director, Office of Communications, in which the Departmental FOIA and Privacy Act Officer reside. The third member of the Board is the Assistant Secretary for Administration. The Data Integrity Board meets periodically as needed to assess matching proposals from agencies, including OIG, for new matches or modifications of existing matching programs. The Board is required to file annual reports on matching activities and results thereof to OMB.

Responsibilities of the IG or designated representative, as a Board member, are to assure that matching agreements are prepared correctly and to vote for approval or denial of the matching requests after OGC legal review.

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2. OIG as a Matching Source Agency (Providing Data for the Match)

OIG must first determine whether the actions planned meet the definition of a "matching program" or fall into one of the excluded areas of a matching program. The next step is to determine if all four elements defined in "mandatory matching elements" are present before a matching program is covered under the provisions of the Computer Matching Act. The key element is "matching purpose" which carries with it the adverse action intent for treating matching hits. The third step is to determine if the records to be computer matched are, in fact, records from one or more published Privacy Act systems of record notices. If the records are not defined and previously disclosed as privacy records, then the matching activities do not fall under the Computer Matching Act. These steps apply whether OIG is the matching source agency as a supplier of information or a matching recipient agency as the performer/sponsor of the computer match.

When OIG is acting as the source agency in a matching program, it must determine whether or not to disclose personal records and assure that the records meet the necessary Privacy Act disclosure provisions when they are released to a recipient or matching agency. Prior to releasing records outside the agency, OIG will publish appropriate routine use notices in the Federal Register using notice publishing guidance provided in Exhibit C. OIG will also require the matching agency to submit its Computer Matching Agreement for approval to ensure the necessary conditions governing the safeguarding and use of personal records are included in the agreement.

3. OIG as a Matching Recipient Agency (Conducting the Match)

When OIG is acting as the matching (or recipient) agency, OIG managers will maintain reasonable administrative, technical, and physical security safeguards on all data files in compliance with the provisions of the Privacy Act and the Computer Matching Act. Systems of records, including those containing "hits", will be appropriately noticed in the Federal Register and reported to the OMB and Congress as appropriate. OIG will return or destroy source matching files (by mutual agreement with the source agency) immediately after the match. Records of "hits" will be kept only as long as a criminal or administrative investigation is active.

OIG personnel will ensure that all agreements, notices and analyses are retained in the relevant audit or investigative workpapers. OIG will further ensure that OMB requirements of the Computer Matching Act guidelines have been met by

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including a copy of the signed Pre-Match Approval Form (Exhibit A), the Computer Matching Agreement (Exhibit B), and the Matching Notice, (Publication Requirements of Computer Matching Notices, Exhibit C) in the workpapers of the project.

OIG, as the matching agency, should prepare a benefit/cost analysis for each match, if required, and prepare a Computer Matching Agreement using guidance in the Computer Matching Agreement Instructions (Exhibit B). In addition, OIG as a matching agency, must publish notices of the establishment or alteration of matching programs in the Federal Register using guidance in the Publication Requirements of Computer Matching Notices (Exhibit C) at least 30 days prior to conducting such programs. The Computer Matching Agreement and the Computer Matching Notice documents should only be completed once the Pre-Match Approval Form has been approved by the AIG/Audit or Investigations. The time frames required for submission of the agreement documents to the Data Integrity Board for review and approval are defined in guidance from the Board.

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**PRE-MATCH APPROVAL FORM**

1. Name of Computer Matching Project:
2. Purpose of the match:
3. Is OIG acting as the Source agency supplying OIG systems of records for the computer match or is OIG performing the match as a Recipient or Matching agency using systems of records from Federal or Non-Federal source agencies?  
Source agency: \_\_\_\_\_  
Recipient agency: \_\_\_\_\_  
Other? \_\_\_\_\_ Please describe.
4. Systems of Records Information
  - a. Files to be matched:
  - b. Estimated number of individuals whose records will be matched in each of the following categories:
    - (1) Benefit records
    - (2) Personnel/employment
    - (3) Indebtedness/receivable accts.
    - (4) Provider records
    - (5) Other (describe)
5. Is this computer match required by regulation or legislation or is the computer match a pilot match for testing a matching technique or a specific change in a matching program?  
\_\_\_\_\_  
\_\_\_\_\_

If the answer is a "Yes", then no benefit cost analysis has to be prepared per OMB matching guidelines. Proceed to Item 6 below.

If the answer is a "No", then a benefit/cost analysis has to be prepared. The extent of the analysis should be commensurate with the scale and complexity of the planned match.

**Benefit Cost Information:**

Estimated costs and benefits (itemize by major categories).

- a. Costs (include personnel costs for follow-up):
  - b. Benefits:
  - c. Other results anticipated, if any:
6. Past history of any similar match (e.g., Who did it? - What results?):

Exhibit A(2)  
of IG-1425

7. Technical arrangements:
  - a. Where will the computer match be run?
  - b. What software will be used?
  - c. Who will perform the match?
  
8. Have written agreements between the Federal source agencies and Federal or non-Federal matching agencies been exchanged listing conditions for the match and safeguards for individual records?  
Yes  (If Yes, attach copies.)  
No  (If No, give reason and anticipated date of exchange.)
  
9. Has the agency sent a new/altered Privacy Act System Report to OMB and Congress?  
Yes  Date sent: \_\_\_\_\_  
No  Why is a report not required?
  
10. Has the agency published a new/altered system notice in the Federal Register?  
Yes  Date published: \_\_\_\_\_  
No  Why is a notice not required?
  
11. Have all participating agencies published routine use notices in the Federal Register?  
  
Yes                       Agencies                      Publication Date  
  
No  Explanation: \_\_\_\_\_
  
12. Attach a copy of the draft Computer Matching Agreement using Exhibit B format and the draft computer matching notice using Exhibit C format.

Prepared and submitted by:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(ARIG or ASAC)

Region/Division Approval

Certified complete and accurate under the provisions of the Computer Matching Act, PL 100-503:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(RIG or SAC)

Headquarters Approval

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(AIG/A or AIG/I)

## **Computer Matching Agreement Instructions**

Computer matching agreements are required to disclose the following descriptive information:

1. **Purpose and Legal Authority for the Match.**  
Agencies must cite a specific Federal or State Authority or regulatory basis for undertaking the matching programs. The Computer Matching Act provides no independent authority for carrying out any matching activity.
2. **Justification and Expected Results.**  
An explanation of why computer matching will be used as opposed to some other administrative activity than what is being proposed and what the expected results will be.
3. **Records Description.**  
An identification of the system of records or non-Federal records, the number of records and what data elements will be included in the match. Agencies should specifically identify the Federal system of records involved in the match.
4. **Notice Procedures.**  
A description of the individual and general periodic notice procedures. See Exhibit C for content of notice requirements.
5. **Verification Procedures.**  
A description of the methods the agency will use to independently verify the information (Hits) obtained through the matching program.
6. **Disposition of Matched Items.**  
A statement that information generated through the match will be destroyed per agreement as soon as it has served the matching program's purpose.
7. **Security Procedures.**  
A description of the administrative and technical safeguards to be used in protecting the privacy information.
8. **Records Usage, Duplication, and Rediscovery Restrictions.**  
A description of any specific restrictions imposed by either the source agency or by statute or regulation on collateral uses of the records used in the matching program.

Exhibit B(2)  
of IG-1425

9. **Records Accuracy Assessments.**

Any information relating to the quality of the records to be used in the matching program. The worse the quality of data used in the matching program, the less likely a matching program will be cost effective. The Privacy Act requires agencies to take reasonable steps to ensure the accuracy of records that are disclosed to non-Federal recipients.

10. **Comptroller General Access.**

A statement is required that the Comptroller General may have access to all records of a recipient agency or non-Federal agency necessary to monitor or verify compliance with the matching agreement.

### **Publication Requirements of Computer Matching Notices**

The Computer Matching Act, PL 100-503, requires that agencies publish notices of the establishment or alteration of matching programs in the Federal Register at least 30 days prior to conducting such programs. Only one notice is required and the recipient Federal agency in a match between Federal agencies or in match in which a non-Federal agency discloses records to a Federal agency is responsible for publishing such notices. Where a State or local government agency is the recipient of records from a Federal agency's system of records, the Federal source agency is responsible for publishing the notice. Such notices should contain the following information:

- Name of participating agency or agencies;
- Purpose of the match;
- Authority for conducting the matching program; (It should be noted that the Computer Matching Act provides no independent authority for carrying out any matching activity.)
- Categories of records and individuals covered;
- Inclusive dates of the matching program;
- Address for receipt of public comments or inquires.

OIG has specific notice publishing requirements under these circumstances. Copies of any proposed matching notices must accompany reports of the proposed matches submitted to OMB and Congress under the reporting requirements of the Privacy Act as amended by PL 100-503. The 30 day notice period for disclosing the matching program should not be filed in the Federal Register until the match is approved by the Data Integrity Board.