

AMENDMENT TO RULES COMMITTEE PRINT 119-

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OFFERED BY MR. LAWLER OF NEW YORK

At the end of subtitle B of title XVII, insert the following:

1 **SEC. 17___ . AUTHORITY FOR DEPARTMENT OF VETERANS**
2 **AFFAIRS PILOT PROGRAM TO MODERNIZE**
3 **DIGITAL IDENTITY PROOFING AND AUTHEN-**
4 **TICATION SYSTEMS.**

5 (a) ESTABLISHMENT OF PILOT PROGRAM.—The Sec-
6 retary of Veterans Affairs may, in accordance with chapter
7 57 of title 38, United States Code, carry out a pilot pro-
8 gram to modernize digital identity proofing and authen-
9 tication systems of the Department of Veterans Affairs.
10 If the Secretary carries out such pilot program, the Sec-
11 retary shall be responsible for—

12 (1) replacing legacy knowledge-based or single-
13 factor identity verification mechanisms with multi-
14 layered, high-assurance digital identity solutions;

15 (2) reducing fraud and improper payments;

16 (3) improving secure access to digital service
17 platforms of the Department for veterans and other

1 individuals eligible for benefits under laws adminis-
2 tered by the Secretary; and

3 (4) assessing cost savings and operational effi-
4 ciencies before carrying out a full-scale deployment
5 of any digital identity solution developed pursuant to
6 the pilot program.

7 (b) SELECTION.—If the Secretary carries out a pilot
8 program under subsection (a), the Secretary shall select,
9 for participation in the pilot program, not more than three
10 high-volume digital service platforms of the Department,
11 each of which may consist of one or more underlying sys-
12 tems, applications, or services, including—

13 (1) disability compensation claims system;

14 (2) veterans health care enrollment portal;

15 (3) the system to administer educational bene-
16 fits; or

17 (4) the system to administer home loan bene-
18 fits.

19 (c) RISK-TIERED IMPLEMENTATION.—As part of a
20 pilot program carried out under subsection (a), the Sec-
21 retary shall—

22 (1) map categories of digital transactions within
23 participating platforms to graduated levels of iden-
24 tity assurance based on—

25 (A) transaction sensitivity;

1 (B) fraud risk; and

2 (C) potential harm;

3 (2) implement adaptive authentication mecha-
4 nisms capable of adjusting authentication require-
5 ments based on contextual and behavioral risk sig-
6 nals; and

7 (3) ensure, to the extent practicable under ap-
8 plicable Federal standards, more rigorous authen-
9 tication requirements are applied only where war-
10 ranted by risk.

11 (d) STANDARDS FOR DIGITAL IDENTITY SOLU-
12 TIONS.—Any digital identity solution implemented pursu-
13 ant to a pilot program carried out under subsection (a)
14 shall—

15 (1) be commercially available and may not be
16 developed exclusively for use by the Department;

17 (2) be independently certified to meet or exceed
18 Identity Assurance Level 2 (IAL2), as defined in
19 National Institute of Standards and Technology
20 Special Publication 800–63 (or any successor docu-
21 ment);

22 (3) incorporate multi-factor authentication con-
23 sistent with Authentication Assurance Level 2
24 (AAL2), as defined in NIST SP 800–63 (or any
25 successor document), or higher; and

1 (4) comply with applicable Federal cybersecu-
2 rity and privacy requirements, including—

3 (A) chapter 57 of title 38, United States
4 Code;

5 (B) the Privacy Act of 1974 (5 U.S.C.
6 522a); and

7 (C) the Federal Information Security Mod-
8 ernization Act of 2014 (Public Law 113–283).

9 (e) REPORTING REQUIREMENTS.—

10 (1) IMPLEMENTATION PLAN.—Not later than
11 120 days after the date of the enactment of this Act,
12 the Secretary shall submit to the Committees on
13 Veterans’ Affairs of the House of Representatives
14 and the Senate a report on whether or not the Sec-
15 retary plans to carry out a pilot program under sub-
16 section (a), and if so, a plan for implementing the
17 pilot program.

18 (2) INTERIM REPORT.—Not later than one year
19 after the date on which the Secretary commences a
20 pilot program under subsection (a), the Secretary
21 shall submit to such committees an interim perform-
22 ance report that includes—

23 (A) a summary of—

24 (i) identity proofing completion rates;

25 (ii) successful authentication rates;

1 (iii) successful account recovery rates;

2 and

3 (iv) abandonment rates during proof-
4 ing, authentication, and recovery
5 workflows, for each participating digital
6 service platform, compared to the baseline
7 rates in effect before commencement of the
8 pilot program;

9 (B) fraud reduction metrics applicable to
10 the digital service platforms of the Department
11 selected for participation in the pilot program;

12 (C) an assessment of the extent to which
13 the pilot program has resulted in decreased
14 overall costs to the Department; and

15 (D) cybersecurity performance indicators.

16 (3) FINAL REPORT.—If the Secretary carries
17 out a pilot program under subsection (a), not later
18 than 90 days before the date specified in subsection
19 (g), the Secretary shall submit to such committees
20 a final report that includes—

21 (A) a comprehensive evaluation of the pilot
22 program; and

23 (B) legislative recommendations with re-
24 spect to modernizing digital identity and au-
25 thentication systems of the Department.

1 (f) GAO EVALUATION AND REPORT.—If the Sec-
2 retary carries out a pilot program under subsection (a),
3 not later than 18 months after the date of the enactment
4 of this Act, the Comptroller General of the United States
5 shall carry out an independent evaluation of the pilot pro-
6 gram and submit to the Committees on Veterans’ Affairs
7 of the House of Representatives and the Senate a report
8 that includes the findings of such evaluation. Such report
9 shall include the following:

10 (1) An assessment of—

11 (A) the extent to which the pilot program
12 successfully implemented identity proofing and
13 authentication mechanisms that meet or exceed
14 Identity Assurance Level 2 (IAL2) and Authen-
15 tication Assurance Level 2 (AAL2) standards
16 under National Institute of Standards and
17 Technology Special Publication 800–63 (or any
18 successor document);

19 (B) the degree to which the pilot program
20 reduced identity-related fraud, improper pay-
21 ments, or unauthorized account access across
22 participating digital service platforms;

23 (C) the effect of the pilot program on vet-
24 eran access to such digital service platforms, in-
25 cluding effects on—

- 1 (i) authentication success rates;
- 2 (ii) account recovery and support re-
- 3 quests; and
- 4 (iii) barriers to access for veterans—
- 5 (I) residing in rural areas;
- 6 (II) with disabilities; or
- 7 (III) with limited digital literacy;
- 8 (D) costs associated with implementation
- 9 of the pilot program compared with the finan-
- 10 cial benefits to the Department derived from
- 11 fraud reduction, administrative efficiencies, and
- 12 avoided improper payments;
- 13 (E) the extent to which the digital identity
- 14 solutions used in the pilot program complied
- 15 with applicable Federal cybersecurity and pri-
- 16 vacy requirements;
- 17 (F) the extent to which the Department
- 18 successfully implemented risk-tiered authentica-
- 19 tion approaches that adjust identity verification
- 20 requirements based on transaction sensitivity
- 21 and fraud risk; and
- 22 (G) the feasibility of scaling the pilot pro-
- 23 gram across additional digital service platforms
- 24 of the Department, including compatibility with
- 25 existing Department identity infrastructure and

1 potential integration with Government-wide
2 identity verification services.

3 (2) Recommendations of the Comptroller Gen-
4 eral with respect to whether the pilot program
5 should be—

6 (A) expanded to additional digital service
7 platforms of the Department;

8 (B) modified to address operational or cy-
9 bersecurity risks; or

10 (C) discontinued.

11 (g) TERMINATION DATE.—The authority of the Sec-
12 retary to carry out the pilot program under this section
13 shall terminate on the date that is two years after the date
14 of the enactment of this Act.

