

**AMENDMENT TO RULES COMMITTEE PRINT 119-**

**33**

**OFFERED BY MR. LAWLER OF NEW YORK**

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

1 **SEC. 17\_\_\_ . DEPARTMENT OF VETERANS AFFAIRS PILOT**  
2 **PROGRAM TO MODERNIZE DIGITAL IDENTITY**  
3 **PROOFING AND AUTHENTICATION SYSTEMS.**

4 (a) ESTABLISHMENT OF PILOT PROGRAM.—The Sec-  
5 retary of Veterans Affairs shall, in accordance with chap-  
6 ter 57 of title 38, United States Code, carry out a pilot  
7 program to modernize digital identity proofing and au-  
8 thentication systems of the Department of Veterans Af-  
9 fairs. Under such pilot program, the Secretary shall be  
10 responsible for—

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

14 (2) reducing fraud and improper payments;

15 (3) improving secure access to digital service  
16 platforms of the Department for veterans and other  
17 individuals eligible for benefits under laws adminis-  
18 tered by the Secretary; and

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

5           (b) SELECTION.—The Secretary shall select, for par-  
6           ticipation in the pilot program, not more than three high-  
7           volume digital service platforms of the Department, each  
8           of which may consist of one or more underlying systems,  
9           applications, or services, including—

10           (1) disability compensation claims system;

11           (2) veterans health care enrollment portal;

12           (3) the system to administer educational bene-  
13           fits; or

14           (4) the system to administer home loan bene-  
15           fits.

16           (c) RISK-TIERED IMPLEMENTATION.—As part of the  
17           pilot, the Secretary shall—

18           (1) map categories of digital transactions within  
19           participating platforms to graduated levels of iden-  
20           tity assurance based on—

21                   (A) transaction sensitivity;

22                   (B) fraud risk; and

23                   (C) potential harm;

24           (2) implement adaptive authentication mecha-  
25           nisms capable of adjusting authentication require-

1       ments based on contextual and behavioral risk sig-  
2       nals; and

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

7       (d) STANDARDS FOR DIGITAL IDENTITY SOLU-  
8       TIONS.—Any digital identity solution implemented pursu-  
9       ant to the pilot program shall—

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

12           (2) be independently certified to meet or exceed  
13       Identity Assurance Level 2 (IAL2), as defined in  
14       National Institute of Standards and Technology  
15       Special Publication 800–63 (or any successor docu-  
16       ment);

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

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

23           (A) chapter 57 of title 38, United States  
24       Code;

1 (B) the Privacy Act of 1974 (5 U.S.C.  
2 522a); and

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

5 (e) FUNDING.—

6 (1) IN GENERAL.—Of amounts authorized to be  
7 appropriated for Information Technology Systems  
8 under chapter 57 of title 38, United States Code,  
9 the Secretary may obligate or expend not more than  
10 \$25,000,000, in the aggregate, may be obligated to  
11 carry out the pilot program.

12 (2) NO ADDITIONAL AUTHORIZATION.—No ad-  
13 ditional funds are authorized to be appropriated to  
14 carry out this section.

15 (f) REPORTING REQUIREMENTS.—

16 (1) IMPLEMENTATION PLAN.—Not later than  
17 120 days after the date of the enactment of this Act,  
18 the Secretary shall submit to the Committees on  
19 Veterans' Affairs of the House of Representatives  
20 and the Senate a plan for implementing the pilot  
21 program under this section.

22 (2) INTERIM REPORT.—Not later than one year  
23 after the date on which the Secretary commences the  
24 pilot program, the Secretary shall submit to such

1 committees an interim performance report that in-  
2 cludes—

3 (A) a summary of—

4 (i) identity proofing completion rates;

5 (ii) successful authentication rates;

6 (iii) successful account recovery rates;

7 and

8 (iv) abandonment rates during proof-  
9 ing, authentication, and recovery  
10 workflows, for each participating digital  
11 service platform, compared to the baseline  
12 rates in effect before commencement of the  
13 pilot program;

14 (B) fraud reduction metrics applicable to  
15 the digital service platforms of the Department  
16 selected for participation in the pilot program;

17 (C) an assessment of the extent to which  
18 the pilot program has resulted in decreased  
19 overall costs to the Department; and

20 (D) cybersecurity performance indicators.

21 (3) FINAL REPORT.—Not later than 90 days  
22 before the date specified in subsection (i)(1), the  
23 Secretary shall submit to such committees a final re-  
24 port that includes—

1 (A) a comprehensive evaluation of the pilot  
2 program; and

3 (B) legislative recommendations with re-  
4 spect to modernizing digital identity and au-  
5 thentication systems of the Department.

6 (g) GAO EVALUATION AND REPORT.—Not later than  
7 18 months after the date of the enactment of this Act,  
8 the Comptroller General of the United States shall carry  
9 out an independent evaluation of the pilot program under  
10 this section and submit to the Committees on Veterans’  
11 Affairs of the House of Representatives and the Senate  
12 a report that includes the findings of such evaluation.  
13 Such report shall include the following:

14 (1) An assessment of—

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

23 (B) the degree to which the pilot program  
24 reduced identity-related fraud, improper pay-

1           ments, or unauthorized account access across  
2           participating digital service platforms;

3           (C) the effect of the pilot program on vet-  
4           eran access to such digital service platforms, in-  
5           cluding effects on—

6                   (i) authentication success rates;

7                   (ii) account recovery and support re-  
8           quests; and

9                   (iii) barriers to access for veterans—

10                           (I) residing in rural areas;

11                           (II) with disabilities; or

12                           (III) with limited digital literacy;

13           (D) costs associated with implementation  
14           of the pilot program compared with the finan-  
15           cial benefits to the Department derived from  
16           fraud reduction, administrative efficiencies, and  
17           avoided improper payments;

18           (E) the extent to which the digital identity  
19           solutions used in the pilot program complied  
20           with applicable Federal cybersecurity and pri-  
21           vacy requirements;

22           (F) the extent to which the Department  
23           successfully implemented risk-tiered authentica-  
24           tion approaches that adjust identity verification

1 requirements based on transaction sensitivity  
2 and fraud risk; and

3 (G) the feasibility of scaling the pilot pro-  
4 gram across additional digital service platforms  
5 of the Department, including compatibility with  
6 existing Department identity infrastructure and  
7 potential integration with Government-wide  
8 identity verification services.

9 (2) Recommendations of the Comptroller Gen-  
10 eral with respect to whether the pilot program  
11 should be—

12 (A) expanded to additional digital service  
13 platforms of the Department;

14 (B) modified to address operational or cy-  
15 bersecurity risks; or

16 (C) discontinued.

17 (h) AUTHORIZATION PERIOD.—

18 (1) TERMINATION DATE.—The authority of the  
19 Secretary to carry out the pilot program under this  
20 section shall terminate on the date that is two years  
21 after the date of the enactment of this Act.

22 (2) NO PRESUMPTION OF CONTINUATION.—The  
23 Secretary may not be expand the scope or funding  
24 cap beyond the levels described in this section unless

1 expressly authorized by a subsequent Act of Con-  
2 gress.

