



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 18, 2006

Dear Mr. Speaker:

On June 28, 2006, the President asked the Congress to consider a fully offset FY 2006 request for \$160.5 million of additional funding for the Department of Veterans Affairs (VA) to address the security of personally identifiable information of veterans and military service personnel.

On May 3, 2006, a VA laptop and hard drive were stolen containing confidential information on personal records of certain veterans and service members. To mitigate the risk of the inappropriate use of this information, this request would have funded credit monitoring services for personnel impacted by this theft and security breach.

Since the transmittal of the funding package, the stolen laptop and hard drive have been recovered and the Federal Bureau of Investigation's (FBI's) forensic examination of the equipment has been completed. The FBI has a high degree of confidence -- based on the results of the forensic tests and other information gathered during the investigation -- that the sensitive data files were not accessed or compromised.

On the basis of the FBI's analysis, the Administration has concluded that credit monitoring services and the associated funding will no longer be necessary. Therefore, on behalf of the President, I am withdrawing this funding request and associated offset proposals from further Congressional consideration.

Sincerely,

A handwritten signature in black ink that reads "Rob Portman". The signature is written in a cursive, slightly slanted style.

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515