



VETERANS ASSISTANCE COMMISSION OF MACOUPIN COUNTY, ILLINOIS

MACVAC-GOV-004

Artificial Intelligence Use Policy

Governing the Responsible Use of AI Tools in MACVAC Operations

Policy Number:	MACVAC-GOV-004
Effective Date:	May 13, 2026
Version:	v1.0
Legal Authority:	330 ILCS 45 (MVAA); 38 U.S.C. § 5701; Privacy Act of 1974 (5 U.S.C. § 552a); NACVSO Standards; VA Privacy and Data Security Guidelines
Adopted By:	Board of Commissioners — Veterans Assistance Commission of Macoupin County Resolution R-2026-06
Annual Review:	Required — Each calendar year by the Superintendent
Supersedes:	N/A — Initial Adoption



TABLE OF CONTENTS

SECTION 1 — PURPOSE AND AUTHORITY	3
SECTION 2 — SCOPE OF APPLICATION	3
SECTION 3 — DEFINITIONS	3
SECTION 4 — GUIDING PRINCIPLES	4
SECTION 5 — PERMITTED USES	4
SECTION 6 — PROHIBITED USES — HARD LIMITS	5
SECTION 7 — VETERAN PRIVACY AND DATA PROTECTION	6
SECTION 8 — CLAIMS DEVELOPMENT — SPECIFIC PROVISIONS	7
SECTION 9 — HUMAN-IN-THE-LOOP REVIEW REQUIREMENTS	8
SECTION 10 — VENDOR AND TOOL AUTHORIZATION PROCESS	8
SECTION 11 — TRAINING AND CERTIFICATION REQUIREMENTS	9
SECTION 12 — TRANSPARENCY AND DISCLOSURE TO VETERANS	9
SECTION 13 — RECORD RETENTION AND OFFICIAL RECORDS	10
SECTION 14 — AI INCIDENT RESPONSE	10
SECTION 15 — ENFORCEMENT AND ACCOUNTABILITY	11
SECTION 16 — CONFLICT WITH EXISTING POLICY AND PROFESSIONAL STANDARDS	11
SECTION 17 — ANNUAL REVIEW AND AMENDMENT	11
APPENDIX A — APPROVED AI TOOLS	12
APPENDIX B — DATA CLASSIFICATION QUICK REFERENCE	12
APPENDIX C — AI INCIDENT REPORT FORM	13



SECTION 1 — PURPOSE AND AUTHORITY

The Veterans Assistance Commission of Macoupin County (the "Commission" or "VAC") adopts this Artificial Intelligence Use Policy ("Policy") to govern the authorized, responsible, and legally compliant use of artificial intelligence tools in all Commission operations. This Policy ensures that AI tools serve as a force multiplier for professional staff — never as a replacement for human judgment — and that Veteran privacy and data security are protected at all times.

This Policy is adopted pursuant to the authority vested in the Commission under 330 ILCS 45 (MVAA), 330 ILCS 45 (MVAA), and in compliance with applicable federal and Illinois state law.

SECTION 2 — SCOPE OF APPLICATION

This Policy applies to all individuals who use AI tools in connection with Commission operations, including:

- The Superintendent and any dually-hatted VSO/Superintendent
- All accredited Veterans Service Officers (VSOs) employed by or operating under Commission authority
- Administrative staff and support personnel
- Board Commissioners when performing work on behalf of the Commission
- Volunteers, interns, and contractors with access to Commission systems or Veteran records

This Policy applies to all AI tools used on Commission devices, personal devices used for Commission work, and any cloud-based or web-accessed AI platforms used in connection with Commission functions.

SECTION 3 — DEFINITIONS

The following definitions govern interpretation of this Policy:

Artificial Intelligence (AI) Tool: Any software application, platform, or service that uses machine learning, large language models, natural language processing, or other algorithmic methods to generate text, analyze data, produce documents, conduct research, or otherwise perform tasks traditionally requiring human intelligence. This includes, without limitation, generative AI platforms, AI-assisted writing tools, AI research assistants, and automated document drafting systems.

Authorized User: Any Commission personnel listed in Section 2 who has completed required AI training and is operating within the scope of their assigned duties.

Approved AI Tool: An AI tool that has completed the Vendor Authorization Process described in Section 10 and is listed in Appendix A of this Policy.

Personally Identifiable Information (PII): Any information that can be used to identify, locate, or contact an individual, including but not limited to: name, Social Security number (SSN),



date of birth, military service number, VA file number, address, phone number, email address, financial account information, medical records, disability ratings, or any combination of data that could identify a specific Veteran, survivor, or dependent.

Veteran Data: Any information provided by or about a Veteran, surviving spouse, or dependent in connection with a claims, benefits, or assistance inquiry, including service history, medical conditions, financial circumstances, and personal statements.

Benefit Determination: Any decision, recommendation, or assessment regarding a Veteran's eligibility for, entitlement to, or appropriate rating of VA or state benefits. Benefit determinations are reserved exclusively to accredited VSOs and VA adjudicators — never to AI tools.

Human-in-the-Loop Review: The mandatory review, assessment, and approval of any AI-generated output by a qualified, accredited human professional before that output is used in any official Commission capacity.

Data Breach / AI Incident: Any inadvertent or unauthorized input of protected data (PII, Veteran Data, or otherwise sensitive information) into an AI tool, or any unauthorized output or disclosure of such data by an AI tool.

SECTION 4 — GUIDING PRINCIPLES

All use of AI tools by Commission personnel shall be governed by the following principles:

- **Veteran-First:** AI tools exist to serve Veterans — not to reduce the quality, accuracy, or personalization of the service Veterans receive. No efficiency gain justifies compromising a Veteran's claim, privacy, or dignity.
- **Human Judgment is Paramount:** AI tools are research and drafting aids. All professional determinations, assessments, and recommendations remain the exclusive province of accredited, qualified human personnel.
- **Privacy by Default:** When in doubt, leave Veteran data out. No PII or Veteran Data shall be entered into any AI tool unless explicitly authorized by this Policy.
- **Compliance First:** AI use must comply with all applicable federal and Illinois law. Efficiency does not override legal obligation.
- **Transparency:** The Commission will be transparent with Veterans about how AI tools are used in preparing their documents and what protections are in place.
- **Accountability:** Every AI output used in an official capacity has a human owner who is accountable for its accuracy, completeness, and legal soundness.
- **Continuous Improvement:** AI technology evolves rapidly. This Policy shall be reviewed and updated annually to reflect current law, technology, and best practices.

SECTION 5 — PERMITTED USES

AI tools may be used by Authorized Users for the following purposes, provided that no PII or Veteran Data is entered and all outputs are subject to Human-in-the-Loop Review:



- Legal and regulatory research — researching provisions of 38 U.S.C., 38 C.F.R., the VA M21-1 Adjudication Manual, the PACT Act (P.L. 117-168), Illinois state law, and related authorities
- Drafting template documents — creating and refining nexus letter templates, lay statement frameworks, DBQ guidance sheets, policy documents, board resolutions, meeting agendas, and correspondence templates using general or hypothetical scenarios (no actual Veteran data)
- Administrative writing and editing — drafting internal procedures, SOPs, training materials, outreach content, press releases, and general correspondence
- Research on medical conditions, military occupational specialties, and toxic exposure in general terms — without reference to specific Veterans
- Data analysis and reporting — analyzing non-PII operational data for budget tracking, expense reporting, and program performance metrics
- Meeting preparation — generating agenda drafts, discussion points, and research summaries for board meetings and strategic planning sessions
- Grant and funding research — identifying available grant programs, state appropriations, and federal funding opportunities
- Training and professional development — using AI tools to study regulatory changes, prepare for NACVSO continuing education, and research emerging issues in Veterans law
- Document formatting and proofreading — improving clarity, grammar, and professional presentation of finalized documents (after any Veteran-specific data has been removed or anonymized)

IMPORTANT

Permitted uses apply only when working with general, hypothetical, or non-Veteran-specific content. The moment a specific Veteran's information enters the workflow, the prohibitions in Section 6 apply without exception.

SECTION 6 — PROHIBITED USES — HARD LIMITS

The following uses of AI tools are strictly prohibited. These prohibitions are not subject to exception, waiver, or supervisor override. Any violation shall be treated as an AI Incident under Section 14.

- Entering any Veteran's PII into any AI tool, including but not limited to: full name combined with any identifying information, Social Security number or VA file number, date of birth, address, phone number, military service number, disability rating, medical diagnosis, or financial account details
- Entering Military Sexual Trauma (MST) disclosures, mental health history, or trauma-related personal statements into any AI tool under any circumstances



- Using AI tools to make, generate, recommend, or imply any benefit determination, disability rating, or eligibility conclusion for a specific Veteran
- Using AI tools as the sole or primary basis for any claims development decision, nexus opinion, or professional VSO recommendation
- Using any AI tool that has not been reviewed and approved pursuant to the Vendor Authorization Process in Section 10 and listed in Appendix A
- Uploading, attaching, or transmitting any Veteran claim file, C-file, medical record, VA correspondence, or official VA document to any AI tool
- Using personal AI accounts, free-tier AI platforms with data training enabled, or consumer-grade AI products for any Commission function without prior approval
- Using AI-generated content in any official filing, claim submission, or VA correspondence without full Human-in-the-Loop Review and accredited VSO adoption of the content
- Representing to a Veteran, survivor, or third party that a document was authored solely by Commission staff when AI tools contributed substantially to its creation, without disclosure
- Circumventing this Policy through the use of AI tools on personal devices for Commission functions

SECTION 7 — VETERAN PRIVACY AND DATA PROTECTION

7.1 Legal Framework

Commission personnel handling Veteran data are bound by the following legal authorities, which govern all AI use in connection with Veteran information:

- Privacy Act of 1974, 5 U.S.C. § 552a — governs federal agency records about individuals; imposes strict disclosure and safeguarding requirements on Veteran records maintained by or on behalf of the VA and its authorized representatives
- 38 U.S.C. §§ 5701, 5705 — prohibits unauthorized disclosure of Veteran claims information
- 38 C.F.R. §§ 1.576–1.584 — VA regulations on protection of Veteran records
- Illinois Personal Information Protection Act, 815 ILCS 530 — requires notification and remediation upon breach of personal information
- Illinois Right to Privacy in the Workplace Act, 820 ILCS 55 — additional state-level privacy protections
- Health Insurance Portability and Accountability Act (HIPAA) — where applicable to Veteran health information shared with or through the Commission
- Illinois Local Records Act, 50 ILCS 205 — governs retention, disposition, and public access to government records, including AI-generated documents that become official records
- NACVSO Code of Conduct — accreditation standards requiring professional handling of Veteran information



7.2 Data Classification — What May and May Not Be Entered

The following matrix governs what categories of information may be entered into AI tools:

DATA CATEGORY	EXAMPLES	AI INPUT
Veteran PII	Name + ID, SSN, DOB, Address, Phone, VA File #, Service #	PROHIBITED
Medical / Health Data	Diagnoses, conditions, treatment records, VA DBQs with Vet info	PROHIBITED
Financial Data	Bank accounts, income, net worth, pension records	PROHIBITED
MST / Trauma Disclosures	Any personal statement referencing MST, abuse, or trauma	PROHIBITED
Claims File Content	Uploaded C-files, Rating Decisions, NODs, VA letters	PROHIBITED
General Medical Research	Condition descriptions, MOS exposure history (no Vet identified)	PERMITTED
Regulatory Content	38 CFR, M21-1 sections, statutory text	PERMITTED
Template / Hypothetical	Draft structures without real Vet data	PERMITTED
Anonymized Statistics	Aggregate county data with no identifiers	PERMITTED
Internal Admin	Meeting agendas, budgets, policy drafts	PERMITTED

SECTION 8 — CLAIMS DEVELOPMENT — SPECIFIC PROVISIONS

Claims development is the Commission's highest-stakes function. The following provisions govern the narrow, carefully bounded role AI tools may play in this function.

AI tools MAY be used in claims development for:

- Researching regulatory presumptions, nexus standards, and rating criteria in general terms
- Drafting template nexus letter structures, lay statement frameworks, and IMO request formats using hypothetical scenarios
- Researching medical literature on conditions commonly associated with military service exposures
- Researching toxic exposure presumptions under the PACT Act (P.L. 117-168) and TERA eligibility criteria
- Drafting general educational content about the claims process for Veteran outreach

AI tools MAY NOT be used in claims development for:

- Generating any nexus opinion, medical opinion, or IMO for a specific, identified Veteran



- Making or suggesting a disability rating for any condition based on a specific Veteran's records
- Drafting any document that will be submitted to the VA without full Human-in-the-Loop Review and VSO adoption
- Replacing the VSO's independent professional judgment on claim strategy, evidence sufficiency, or evidentiary development

NACVSO COMPLIANCE NOTE

An accredited VSO's authority under 38 U.S.C. § 5901 is personal and professional. AI tools cannot be accredited, cannot exercise judgment, and cannot bear professional responsibility for the content of a Veteran's claim. The accredited VSO who reviews, adopts, and submits AI-assisted work product bears full professional responsibility for that work.

SECTION 9 — HUMAN-IN-THE-LOOP REVIEW REQUIREMENTS

No AI-generated output shall be used in any official Commission capacity — including but not limited to correspondence, claims documents, board materials, public-facing content, or official records — without Human-in-the-Loop Review.

Human-in-the-Loop Review requires that the reviewing personnel:

1. Read the AI-generated output in full and independently verify its accuracy against primary legal sources (38 U.S.C., 38 C.F.R., M21-1, MVAA, etc.)
2. Identify and correct any errors, hallucinations, outdated regulatory citations, or inaccurate statements of fact or law
3. Modify the document to reflect the specific facts and circumstances of the situation
4. Take professional ownership of the final product — the reviewing VSO or staff member, not the AI, is the author of record
5. Document the AI tool used, the nature of the AI's contribution, and the reviewer's identity in the Commission's records if the document becomes an official record

SECTION 10 — VENDOR AND TOOL AUTHORIZATION PROCESS

No AI tool shall be used for Commission functions until it has been reviewed and authorized by the Superintendent and recorded in Appendix A. The authorization process shall evaluate:

- Data retention policies — whether the vendor retains, stores, or uses inputs to train AI models
- Terms of service and data ownership — whether inputs become the vendor's intellectual property
- Security certifications — SOC 2 compliance, encryption standards, access controls



- Government or enterprise-tier availability — whether a government or enterprise plan with enhanced data protections is available and appropriate
- Compliance with applicable federal and Illinois privacy law
- Incident response and breach notification capabilities
- Data deletion rights — whether inputs can be deleted and how
- Third-party data sharing — whether vendor shares data with third parties and under what conditions

Authorized tools shall be listed in Appendix A with the date of authorization, the account type (personal, enterprise, government), and any use restrictions. The Superintendent shall review Appendix A at least annually and upon any material change in a vendor's terms of service or privacy policy.

INITIAL APPROVED TOOLS

As of the adoption of this Policy, the AI tool currently in authorized use for research and document drafting is: Claude (Anthropic) — Cowork / Claude Desktop (Enterprise-tier), operating as ATLAS — the Commission's dedicated AI research analyst and document drafter. All future tools require Superintendent authorization before use. See Appendix A.

SECTION 11 — TRAINING AND CERTIFICATION REQUIREMENTS

Prior to using any approved AI tool in connection with Commission functions, all personnel covered by this Policy shall complete the following:

1. Initial Policy Training — review and acknowledgment of this AI Use Policy, evidenced by signed acknowledgment form maintained in personnel file
2. Privacy and Data Protection Review — review of applicable PII protections under the Privacy Act, 38 U.S.C., and Illinois law as they relate to AI tool use
3. Tool-Specific Orientation — orientation on the specific Approved AI Tool(s) they will use, including data input restrictions and output review requirements
4. Annual Refresher — annual review of any Policy updates and emerging AI-related legal or regulatory developments

The Superintendent shall maintain training records for all personnel and shall ensure that new personnel complete required training prior to AI tool access.

SECTION 12 — TRANSPARENCY AND DISCLOSURE TO VETERANS

The Commission is committed to transparency with the Veterans and families it serves. The following disclosures shall be made:



- **General Disclosure:** The Commission's website and public-facing materials shall note that AI tools are used for administrative and research functions, with Veteran privacy and data protection safeguards in place.
- **Document Disclosure:** When a document prepared with substantial AI assistance is provided to a Veteran (such as a draft nexus letter or lay statement), the VSO shall inform the Veteran that AI tools assisted in drafting and that the content was reviewed and adopted by an accredited VSO.
- **Claims Disclosure:** No claim shall be submitted to the VA using AI-assisted content without the Veteran's knowledge that such tools were used in preparation.

SECTION 13 — RECORD RETENTION AND OFFICIAL RECORDS

AI-generated documents that are adopted by Commission personnel and used in an official capacity become official Commission records subject to the Illinois Records Act (50 ILCS 205) and the Commission's records retention schedule. The following rules apply:

- Once adopted by a human reviewer, AI-assisted documents are treated as official records for all retention and disposition purposes
- The AI tool used and the human reviewer's identity shall be noted in the document's metadata or file notes
- AI conversation logs containing official work product should be retained or summarized consistent with the applicable retention schedule
- Records created in AI platforms that are not saved to Commission systems must be captured and retained in Commission records consistent with the retention schedule
- The Commission's registration with the Illinois State Records Office governs disposition of all such records

SECTION 14 — AI INCIDENT RESPONSE

An AI Incident occurs when PII, Veteran Data, or other protected information is inadvertently entered into an AI tool, or when unauthorized disclosure of such data results from AI tool use. Upon discovering an AI Incident, the involved personnel shall:

1. Immediately cease the AI session and, if possible, delete the input and any outputs containing protected information using the tool's available deletion functions
2. Report the incident to the Superintendent within one (1) business day using the AI Incident Report form (Appendix C)
3. The Superintendent shall assess the incident, document findings, and determine whether notification obligations under 815 ILCS 530 (PIIPA) or other applicable law are triggered
4. The Superintendent shall notify the affected Veteran(s) if the incident poses a material risk of harm to the Veteran's identity, financial security, or claim



5. The Superintendent shall implement corrective measures and, if warranted, recommend Policy amendments to prevent recurrence
6. All AI Incidents shall be logged in a secure internal register maintained by the Superintendent

SECTION 15 — ENFORCEMENT AND ACCOUNTABILITY

Compliance with this Policy is a condition of service for all personnel covered by its scope. Violations shall be addressed as follows:

- **First violation:** documented counseling and mandatory policy re-training
- **Second violation or any violation involving prohibited entry of Veteran PII:** suspension of AI tool access, formal written reprimand, and review of any claims or documents affected
- **Third violation or any violation involving intentional misuse, data exposure, or falsification:** termination of AI tool access, personnel action up to and including termination, and referral to NACVSO as appropriate

Any violation that results in unauthorized disclosure of Veteran records may trigger mandatory reporting under 815 ILCS 530, VA notification protocols, and applicable civil liability.

SECTION 16 — CONFLICT WITH EXISTING POLICY AND PROFESSIONAL STANDARDS

In the event of any conflict between this Policy and any other Commission policy, NACVSO standards, or applicable federal or state law, the more restrictive requirement shall govern. This Policy supplements but does not replace any applicable provision of federal law, VA regulation, the Privacy Act, HIPAA, or Illinois state law.

SECTION 17 — ANNUAL REVIEW AND AMENDMENT

Given the rapid evolution of artificial intelligence technology and law, this Policy shall be reviewed by the Superintendent no less than annually. The review shall consider:

- Changes in applicable federal and Illinois law governing AI, privacy, and data security
- Changes in VA policy or NACVSO standards regarding AI use in claims representation
- New AI tools under consideration for authorization
- Lessons learned from any AI Incidents during the prior year
- Industry best practices and guidance from government AI policy bodies

Material amendments to this Policy shall be presented to the Board of Commissioners for adoption by resolution. Administrative updates (such as additions to Appendix A) may be made by the Superintendent and reported to the Board at the next scheduled meeting.



APPENDIX A — APPROVED AI TOOLS

The following AI tools have been reviewed and authorized for use in Commission operations as of May 13, 2026. This list shall be updated by the Superintendent as tools are added or removed.

TOOL / PLATFORM	VENDOR	ACCOUNT TYPE	AUTHORIZE D DATE	USE RESTRICTIONS
Claude (Cowork / Desktop) — ATLAS	Anthropic	Enterprise / Cowork	April 14, 2026	No PII/Veteran Data; general research and drafting only

Note: All additional tools must be reviewed and authorized by the Superintendent before use. Document each tool's data retention policy, terms, and security certifications prior to authorization.

APPENDIX B — DATA CLASSIFICATION QUICK REFERENCE

Use this reference when uncertain whether a specific data element may be entered into an approved AI tool. When in doubt, leave it out.

IF IT RELATES TO...	SPECIFIC EXAMPLES...	MAY ENTER INTO AI?
Who the Veteran is	Name, SSN, DOB, address, phone, VA/service number	NO — NEVER
The Veteran's health	Medical conditions, diagnoses, prescriptions, mental health	NO — NEVER
The Veteran's finances	Income, assets, bank accounts, pension amounts	NO — NEVER
The Veteran's trauma	MST, abuse history, personal trauma statements	NO — NEVER
Their claim documents	Uploaded C-files, rating decisions, VA letters	NO — NEVER
A condition in general	"PTSD" or "TBI" without naming the Veteran	YES — Permitted
A legal standard	38 CFR § 3.304(f) requirements for PTSD	YES — Permitted
A form or template	Draft nexus letter with [Veteran Name] placeholder	YES — Permitted
Budget or operations	Operating costs, budget lines, meeting agendas	YES — Permitted



IF IT RELATES TO...	SPECIFIC EXAMPLES...	MAY ENTER INTO AI?
Outreach / education	General Veteran benefits information, flyers	YES — Permitted

APPENDIX C — AI INCIDENT REPORT FORM

Complete this form within one (1) business day of discovering an AI Incident. Submit to the Superintendent. Retain in the AI Incident Log (internal records). This form is a government record subject to the Illinois Records Act (50 ILCS 205).

Date of Incident: _____

Date Discovered: _____

Reporting Personnel: _____

AI Tool Involved: _____

Nature of Incident (describe the data entered and how):

Data Category (check all that apply):

☐ Veteran PII ☐ Medical Data ☐ Financial Data ☐ MST Disclosure ☐ Claims Document
☐ Other

Estimated number of Veterans whose data may be affected:

Immediate actions taken (session ended, data deleted, etc.):

Was data retention confirmed by vendor (data not stored/deleted)?

☐ Yes ☐ No ☐ Unknown — follow up required

Notification obligation triggered under 815 ILCS 530?

☐ Yes (notification sent ___/___/____) ☐ No ☐ Under assessment

Corrective measures implemented or recommended:

Superintendent signature and date: _____ **Date:** _____





ACKNOWLEDGMENT OF RECEIPT & UNDERSTANDING

MACVAC-GOV-004 — Artificial Intelligence Use Policy

Veterans Assistance Commission of Macoupin County, Illinois

I acknowledge that I have received, read, and understand the Artificial Intelligence Use Policy (MACVAC-GOV-004) of the Veterans Assistance Commission of Macoupin County. I understand that compliance with this policy is a condition of my service to the MACVAC, whether as an officer, employee, or commissioner, and I agree to abide by its provisions.

Printed Name:	_____
Title / Role:	_____
Signature:	X _____
Date:	_____