Do Not Pay Advancements in Assisting Agencies in Preventing and Detecting Improper Payments

May 24, 2018

Legislation

- The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) required the Office of Management and Budget (OMB) to implement a "Working System" to assist agencies in identifying and preventing improper payments.

- OMB designated the responsibility of creating this system to Treasury, which operates the Do Not Pay Business Center (DNP).

- The Treasury Working System and DNP are elements of OMB's larger government-wide Do Not Pay Initiative.

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FIPCA and DNP

The Federal Improper Payments Coordination Act of 2015 (FIPCA) expanded the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) authority for states among other entities, to use the Do Not Pay Initiative, including the Business Center, for the purpose of verifying payment or award eligibility for payments.

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Do Not Pay Goals

- Provide a variety of tools designed to assist agencies in identifying improper payments

- Dedicated to detecting and preventing improper payments

- Committed to providing:
  - Quality data
  - Customized agency outreach
  - Cutting edge data analytics
  - Continuous system development

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Components of Do Not Pay

**Do Not Pay
Business Center**

Web-based
Portal

Agency
Support

Data
Analytics
Services

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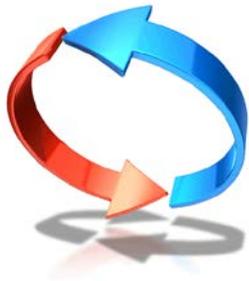U.S. DEPARTMENT OF THE TREASURY

The Product: Do Not Pay Portal

- A central location for improper payment related data needs.

Online Search
User can search an individual or entity and view matching records

Batch Match & Continuous Monitoring
User sends a file(s) of payees to be matched against DNP data sources -- available as a one time or continuous match service

Payment Integration
Displays payments disbursed by Treasury via Payment Automation Manager that are matched against the Death Master File – user can review and/or adjudicate the matches

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Agency Outreach

- DNP User Community Events
  - Best Practices Forum
  - DNP Day(s)
  - Grants Management Forum
  - Focus Groups

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Focus Group Related Enhancements
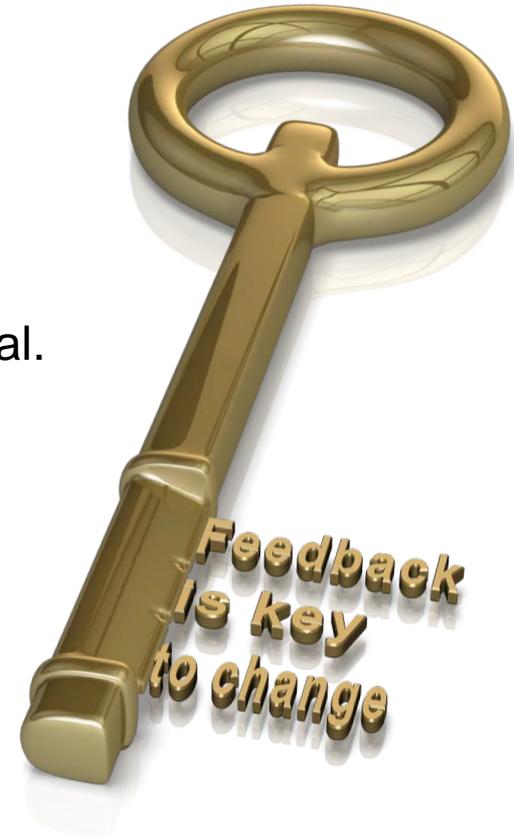
Adjudication of multiple records

- Ability to adjudicate multiple records at one time.
- Matches can be sorted by column headings.
- Let us know if training is needed.

Save and Print details from Online Search

- Users can now save and print both summary and detail results to provide documentation of searches and to investigate matches outside of the DNP Portal.

Removal of SAM Exclusion Restricted

- Conducted outreach which resulted in a majority of agencies do not see the benefit of SAM Exclusion Restricted in Payment integration.
- Agency focus on pre-award/pre-payment.

Feedback is key to change

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Data Sources Available in the DNP Portal

- **Credit Alert System (CAIVRS) Restricted [DOJ, HUD, SBA, USDA & VA]**
  - Verify whether an individual is a delinquent federal borrower

- **Death Master File (DMF) Public [SSA]**
  - Verify whether an individual receiving payments is deceased

- **List of Excluded Individuals & Entities (LEIE) Public & Restricted [HHS]**
  - Verify whether payments are to entities excluded from participating in federal health care programs

- **Office of Foreign Assets Control (OFAC) Public [Treasury]**
  - Verify whether an individual or entity is prohibited from entering into financial transactions with U.S. financial institutions and the U.S. government

- **System for Award Management (SAM) Entity Registration Records Restricted [GSA]**
  - Verify that a vendor seeking to do business with the federal government has registered, in accordance with the Federal Acquisitions Regulation

- **SAM Exclusion Records Public & Restricted [GSA]**
  - Verify whether payments are to debarred individuals

- **Treasury Offset Program (TOP) Debt Check Restricted [Treasury]**
  - Identify vendors that owe federal non-tax debt and ensure vendors that owe debts are paid via the Treasury Offset process

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New: Non-Profit Entity Status

DNP has access to the Internal Revenue Service's Exempt Organizations Select Check data sets

Contains records of organizations eligible and ineligible to receive tax-deductible charitable contribution and grants targeting tax-exempt entities

✓ Publication 78

✓ 990-N (e-Postcard)

🚫 Automatic Revocation List

Available through Data Analytics Services

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New: Death Data

DNP also has access to multiple sources of death data:

- – Social Security Administration's - Death Master File (Public)
- – Department of Defense Death Records
- – Department of State Death Records
- – American Infosource (AIS) Death Data

NEW!

Available through Data Analytics Services

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Data Analytics Services

- Flexible project types
  - Standard & Custom projects

- Flexible to your data needs
  - Use DNP data
  - Use data from your systems
  - Ability to pilot data sources

- Flexible to your business rules
  - Utilize your matching logic
  - Incorporate your specific eligibility requirements

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Eligibility Verification

Use advanced matching techniques that can prevent and detect payments to ineligible recipients

Preventive methods:
- Screen grantees for status
- Verify status prior to active disbursements

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Integrity Checks

- Common and effective way to identify improper payments from a variety of sources
  - Process or administrative errors, database or system processing issues, intentional effort to commit fraud
- Identify hard-to-detect payment errors and fraud risk in payments, invoices, or vendors
- Results help establish a baseline evaluation of effectiveness of current internal controls
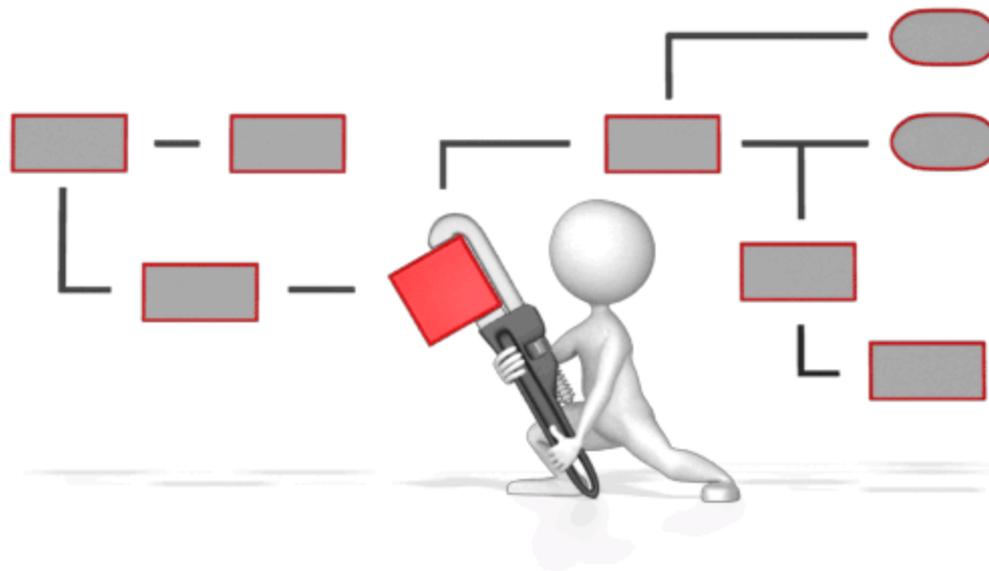
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Examples of Integrity Checks

Risk Category	Areas of Focus
Duplication	• Duplicate vendors • Duplicate payments
False/invalid Information	• Invalid Taxpayer Identification Numbers (TINs), names, bank accounts, or addresses • Fictitious vendors
High-risk Approvers	• Unusually high approval rates • Approval of unusually high prices and/or quantities
High-risk Payees	• Ineligible payees • Frequent or unjustified information changes over time (changing bank accounts, addresses, etc.)
Other forms of high-risk invoices or payments	• Invoice amounts with shifted decimals • Payments to unusual or high-risk locations

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Preventive Controls

Analysis of data evaluating data quality and data integrity to verify internal controls and identify areas of highest risk, allowing agencies to prioritize training or audit opportunities.

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Custom Research & Ad Hoc Analyses

DNP Data Analytics will develop a solution that can address your improper payment needs

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Questions

Please contact:

Do Not Pay Agency Support Center

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