Do Not Pay is authorized and governed by the Payment Integrity Information Act of 2019 (PIIA), and several OMB memoranda and circulars*

The authorities generally belong to OMB, which delegated the operational aspects to the Department of the Treasury

*PIIA repealed and replaced several laws and authorities
What is the DNP Business Center?

A resource for federal agencies and federally funded state administered programs at no-cost to the agencies

Centralized access to relevant data sources for verifying payment or award eligibility

Customized data analysis to help agencies detect fraud, waste, and abuse and strengthen internal controls
Unique Approach of the DNP Solution

Solutions vary according to each agency partner’s business problem.

- Verifying eligibility criteria through single or batch searches
- System to system interface with agency financial system for automation
- Source for resolution information to inform Annual Financial Reports
- Identifying risk in payment processes
- Verifying and improving internal controls
- Payment process understanding
- Business problem identification
- Improper payment consultation and ongoing support

Recommended actions based on the business problem can include…

- Web-based Portal
- Data Analytics
- Agency Support Center
Pre-Award/Pre-Payment Support

Free web-based Portal and central location for improper payment related data needs

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

Batch Matching
One-time bulk submission for screening grants or loan payments against specified data sources

Continuous Monitoring
Continuous screening for eligibility verification against specified data sources using a grantee or loan recipient listing

Web Service/API
A Web Service or Application Programming Interface (API) creates a connection with agency payment systems and the DNP Portal. This integrates the functionalities of the Portal within agency internal systems.

- **Single Query API** call contains the search criteria of one entity to be matched against your agency's approved data source(s). The DNP response will include data source match result(s) for that single entity.

- **Multiple Query API** call contains the search criteria of up to 100 entities to be matched against your agency's approved data source(s). The DNP response will include data source match result(s) for the searched entities.
The DNP Initiative

American InfoSource Death Data - Obituary/Probate - Commercial
- Commercial data source which contains information on deceased individuals obtained from more than 3,000 funeral homes and thousands of newspapers, as well as county-level probate records

Department of Defense Death Records - Public
- Contains records of individuals in active or reserve military duty, including whether an individual is deceased

Department of State Death Records - Public
- Contains records of American Citizens who are deceased or presumed deceased in foreign countries, as reported by U.S. embassies or consulates upon its receipt of a foreign death certificate or finding of death by a local competent authority

Death Master File (DMF) - Public (SSA)
- Administered by the National Technical Information Services (NTIS). Contains records of deceased individuals as reported by family members, funeral homes, hospitals, federal agencies, postal authorities, and financial institutions. Public version does not include state-reported deaths

Credit Alert System (CAIVRS) - Restricted (DOJ, HUD, SBA, & USDA)
- Contains records of individuals with federal debt in delinquent or default.
- Verify whether an individual is a delinquent federal borrower
Treasury Offset Program (TOP) Debt Check - Restricted (Treasury)
- Contains records of individuals whose debt has been referred to Debt Management Services for collection.
- Verify whether a payee owes delinquent non-tax debts to federal government (and participating states)

List of Excluded Individuals and Entities (LEIE) (HHS OIG) - Public & Restricted
- Verify whether payments are to individuals and entities currently excluded from participating in federal health care programs

Office of Foreign Assets Control (OFAC) - Public (Treasury)
- Contains records of individuals, groups, and entities which are under sanction by the federal government and therefore ineligible for payment

System for Award Management (SAM) Entity Registration Records - Restricted (GSA)
- Contains records of individuals and businesses authorized to enter into contracts with the federal government
- Verify that a vendor seeking to do business with the federal government has registered, in accordance with the Federal Acquisition Regulation (FAR)

SAM Exclusion Records - Public & Restricted - (GSA)
- Contains records of individuals and businesses currently debarred from entering into contracts with the Federal Government under specific exclusions or registered to conduct business with the federal government
- Verify whether payments are to debarred individuals
DNP Analytics

The right payment to the right recipient at the right time for the right purpose.
In addition to data sources available in the Portal, Analytics also has access to:

**Internal Revenue Service’s Tax-Exemption Lists**

- Contains records of organizations eligible and ineligible to receive tax-deductible charitable contributions and grants targeting tax-exempt entities.
  - 990-N (e-Postcard) – Authorized organizations with under $50,000 in contributions
  - Publication 78 – Authorized organizations with over $50,000 in contributions
  - Automatic Revocation of Exemption List – Organizations whose tax-exempt status has been revoked
Consultation

Outreach Actions

Understand the problems and issues present in your payment processes.

Educate about available services and resources for agency use.

Facilitate discussion to align solutions to your business problems.

Agency Benefits

Identify opportunities to strengthen internal controls to prevent improper payments.

Understand capabilities that address the improper payment problems in payment processes.

Promote progress for implementing improvements to payment processes.
Provides customized outreach and business processes solutions based upon agency needs:

- Onboarding to DNP Pay Portal
- Agency Financial Report Review
- Training
- Business Process Mapping
- Focus Groups
- User Community Events
  - Best Practices Forum
  - Grants Management Forum
  - Do Not Pay Day
- Help Desk Support
What’s New?

As of May 12th, OMB published approval in the Federal Register for DNP to begin using 12 new data sources:

- The United States Postal Service (USPS) Delivery Sequence File
- The Census Bureau Federal Audit Clearinghouse
- The Do Not Pay (DNP) Agency Adjudication Data
- Fiscal’s Payments, Claims, & Enhanced Reconciliation (PACER) database
- Bureau of Prisons (BOP) Incarceration Data
- Digital Accountability and Transparency Act (DATA Act) data
- Census Bureau’s American Communities Survey (ACS) Annual State and County Data Profiles
- Veterans Affairs’ (VA) Beneficiary Identification Records Locator Service (BIRLS)
- Department of Agriculture’s National Disqualified List (NDL)
- Center for Medicare and Medicaid Services (CMS) National Plan and Provider Enumeration System (NPPES)
- Internal Revenue Service’s (IRS) Statistics of Income (SOI) Annual Individual Income Tax ZIP Code Data, and
- The U.S. Securities and Exchange Commission’s (SEC) Electronic Data Gathering, Analysis, and Retrieval (EDGAR) System

[Link to Federal Register announcement](https://www.federalregister.gov/d/2021-10025)
What’s New?

This year, DNP was able to work with the Small Business Administration (SBA) leveraging authorities given in the Payment Integrity Information Act of 2019 (PIIA)

- Reduced the time required for SBA to begin fully using DNP
- Enabled SBA to fully screen American Rescue Plan related payments
  - Paycheck Protection Program (PPP)
  - Economic injury disaster loans (EIDL)
  - Restaurant Revitalization Fund (RRF)
  - Shuttered Venue Operators Grant (SVOG)

- Addressed key customer pain point – time and CMA requirements

Read about the Paycheck Protection Program Loan Recipients on the Department of Treasury’s Do Not Pay List
Dominique McCreary
Manager, DNP Outreach and Business Processes
202-674-7093
Dominique.McCreary@fiscal.treasury.gov

For more information, visit our website:
https://fiscal.treasury.gov/dnp/
<table>
<thead>
<tr>
<th>Agency</th>
<th>Treasury Agency Lead</th>
<th>STL Agency Specialist</th>
<th>STL Onboarding Specialist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture (USDA)</td>
<td>Dominique Marva</td>
<td>Drew Marva</td>
<td></td>
</tr>
<tr>
<td>Department of Housing and Urban Development (HUD)</td>
<td>Dominique Marva</td>
<td>Josh Marva</td>
<td></td>
</tr>
<tr>
<td>Department of Education (ED)</td>
<td>Jon Kristofer Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Energy (DOE)</td>
<td>Jon Kristofer Marva</td>
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<td></td>
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<tr>
<td>Department of Health and Human Services (HHS)</td>
<td>Jon Kristofer Marva</td>
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<td></td>
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<tr>
<td>Environmental Protection Agency (EPA)</td>
<td>Jon Kristofer Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuclear Regulatory Commission (NRC)</td>
<td>Jon Kristofer Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Justice (Justice)</td>
<td>Lori Josh Marva</td>
<td></td>
<td></td>
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<tr>
<td>Department of Labor (DOL)</td>
<td>Lori Shannon Marva</td>
<td></td>
<td></td>
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<tr>
<td>Department of Transportation (DOT)</td>
<td>Lori Drew Marva</td>
<td></td>
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<tr>
<td>National Aeronautics and Space Administration (NASA)</td>
<td>Lori Kristofer Marva</td>
<td></td>
<td></td>
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<tr>
<td>National Science Foundation (NSF)</td>
<td>Lori Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Personnel Management (OPM)</td>
<td>Lori Drew Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Business Administration (SBA)</td>
<td>Lori Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Security Administration (SSA)</td>
<td>Lori Josh Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Commerce (Commerce)</td>
<td>Stephanie Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Defense (DoD)</td>
<td>Stephanie Kristofer Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Homeland Security (DHS)</td>
<td>Stephanie Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of State (State)</td>
<td>Stephanie Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of the Interior (DOI)</td>
<td>Stephanie Kristofer Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of the Treasury (Treasury)</td>
<td>Stephanie Josh Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Veterans' Affairs (VA)</td>
<td>Stephanie Shannon Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Services Administration (GSA)</td>
<td>Stephanie Drew Marva</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Agency for International Development (USAID)</td>
<td>Stephanie Shannon Marva</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Data Designation Process and Newly Proposed Databases

05/06/2021
Do Not Pay Business Center
Data Designation Process

1. **Database Identification and Research**
   - DNP receives feedback regarding a potential database;
   - A dedicated Data Acquisition Team (DAT) researches the database for viability;
   - For Commercial Databases, a pilot is performed;

2. **Recommendation to Leadership**
   - The DAT presents its findings to the Director of Treasury’s Working System;
   - The Director decides whether the database will be recommended to the Office of Management and Budget (OMB);

3. **Draft Data Designation Recommendation**
   - A formal recommendation is drafted for the Director of OMB.

4. **OMB Review and Approval**
   - The recommendation is formally submitted through Legislative and Public Affairs to the Director of OMB.
   - The Director of OMB and the Office of Information and Regulatory Affairs (OIRA) determine whether the database will be designated.
## DNP’s Newest Designation

### Multi-Use

<table>
<thead>
<tr>
<th>Database</th>
<th>Owner</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNP Adjudication Data</td>
<td>Fiscal Service</td>
<td>Payment records within DNP indicating whether an agency has found a payment to be improper.</td>
</tr>
<tr>
<td>Payments, Claims, and Enhanced Reconciliations (PACER)</td>
<td>Fiscal Service</td>
<td>Post-Payment data includes action that has taken place after a payment has been made, including offset, debt referral and reclamation from a bank.</td>
</tr>
<tr>
<td>Beneficiary Identification Record Locator Service (BIRLS)</td>
<td>VA</td>
<td>Master list of VA beneficiaries, including address, death indicator, whether the individual is active/reserve and other information.</td>
</tr>
</tbody>
</table>

### Eligibility/Debarment

<table>
<thead>
<tr>
<th>Database</th>
<th>Owner</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Plan and Provider Enumeration List (NPPES)</td>
<td>CMS</td>
<td>Contains information on approved health care providers and plans.</td>
</tr>
<tr>
<td>National Disqualified List</td>
<td>VA</td>
<td>Contains information on providers that are ineligible to receive federal funding for a meals program.</td>
</tr>
</tbody>
</table>
DNP’s Newest Designation

### Death

<table>
<thead>
<tr>
<th>Database</th>
<th>Owner</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNP Adjudication Data</td>
<td>Fiscal Service</td>
<td>Currently, all adjudicated improper matches were death matches.</td>
</tr>
<tr>
<td>Payments, Claims, and Enhanced Reconciliations</td>
<td>Fiscal Service</td>
<td>Post-Payment data includes reclamation data from banks, which may indicate</td>
</tr>
<tr>
<td>(PACER)</td>
<td></td>
<td>the account belongs to a deceased individual</td>
</tr>
<tr>
<td>Beneficiary Identification Record Locator Service</td>
<td>VA</td>
<td>BIRLS includes deceased individuals</td>
</tr>
<tr>
<td>(BIRLS)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Incarceration

<table>
<thead>
<tr>
<th>Database</th>
<th>Owner</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau of Prisons Data</td>
<td>BOP</td>
<td>Contains information on incarcerated individuals under the jurisdiction of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the US Attorney General.</td>
</tr>
</tbody>
</table>
## DNP’s Newest Designation

<table>
<thead>
<tr>
<th>Database</th>
<th>Owner</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Audit Clearinghouse</td>
<td>Census</td>
<td>Audit Results and information on open findings.</td>
</tr>
<tr>
<td>Digital Accountability and Transparency Act</td>
<td>Fiscal Service</td>
<td>Gransular detail into contractors, subcontractors, and all individuals and entities receiving federal funds.</td>
</tr>
<tr>
<td>American Communities Survey*</td>
<td>Census</td>
<td>Self-reported household characteristics such as income, veterans status, and employment status.</td>
</tr>
<tr>
<td>Statistics of Income*</td>
<td>IRS</td>
<td>Data embedded in tax filings from individuals, corporations, tax exempt entities, and estates.</td>
</tr>
<tr>
<td>SEC Company Filings</td>
<td>SEC</td>
<td>Information from public company filings regarding financial information and operations.</td>
</tr>
<tr>
<td>Delivery Sequence File</td>
<td>USPS</td>
<td>Information regarding US Postal Addresses.</td>
</tr>
</tbody>
</table>

*DNP would not use any data involving protected status, nor any elements that do not pertain to Improper Payments*
The Benefits To You

- **Additional Death Data Coverage**: High-quality death data will allow additional death data to be found.
- **Secondary Matching**: Matching across databases allows agencies to focus efforts on payments that have more than one hit.
- **New Types of Data**: For the first time, agencies will have access to incarceration databases.
- **More Robust Analytics**: DNP Analytics will have a more robust arsenal of databases to give a full and comprehensive view of your agency’s payments.

*Increased Program Integrity Across the Board*
DNP and PICOE Cooperation
This starts with the leadership communicating objectives

• DNP and PICOE have an awareness of their respective goals
• Cross communication on various projects
• Reduces waste by reducing unnecessary duplication of effort
• Aligning efforts where beneficial
• Leads to future collaboration
The ACH Recovery Tool is a self-service tool that gives agencies the ability to request the recall or account owner information of ACH payments by logging into a secure portal within the Treasury Check Information System (TCIS).

**PTR (Payment Trace Request)**

Agency logs into TCIS, identifies the payment to be recalled, and places a “stop” on the payment thereby identifying it to Fiscal Service as a payment to be recalled or researched.

The Recovery Tool provides a secure link between the Agency and Fiscal Service by utilizing the existing secure connection provided by the existing TCIS infrastructure.

The recovery tool records the request and saves it in the case management system.

Fiscal Service Non-Receipt area receives and processes the request utilizing existing operationalized processes.

The response from the Financial Institution is verified and recorded.

The request for information is provided to the Financial Institution.

The response is provided to the agency.

The Agency receives the response.

The Agency provides the request for information to the Financial Institution.

The recovery tool entry is provided to Fiscal Service for the Non-Receipt agents to process the request.
Working Towards Preventing Improper Payments

- DNP Death Sources
- BFS Post-Payment Data
- Agency Payment File

NAPHSIS EVVE FOD

1. List of Confirmed Deaths
2. Generate Report for ingestion
3. Secure Transmission of Confirmed Death Data
DNP Analytics: Support for Stimulus Activity

May 25, 2021
Consultation
As improper payments experts, we provide Consultation to help identify business problems and remediate solutions.

Through consultation we will:
• Partner to understand your business processes
• Identify areas of opportunity to meet your goals
• Design analytical solutions
• Gain stakeholder buy-in
• Regular alignment throughout execution

We do this through:
• Knowledge of landscape
• Critical thinking skills
• Years of experience and analytics expertise to design custom analytical solutions
Scope

Ensure Payment Integrity

The right payment to the right recipient at the right time for the right purpose.

Data Quality
- TIN
- Name
- Address

Eligible Recipients
- Program Eligibility Requirements
- Valid Identity

Accurate Payments
- Non-Duplicative
- Correct Amount

Risk Mitigation
- Valid Internal Controls
- Strong Business Processes
Example: Program X wants to know if process controls (e.g., requiring valid TIN) are effective.

There is a low occurrence of awardees with invalid TINs. Thus, the process controls seem to be working as expected and currently pose a low risk to payment integrity. Program X should focus resources on other high impact opportunity areas.

A single awardee (0.001% of awardees) had an invalid TIN (e.g., 999999999).

Program X awarded funds to 100,000 applicants.

Information provided on applications, such as name, TIN, date of application, etc.
Examples of business problems DNP Analytics can help answer:

- Did deceased or otherwise ineligible individuals receive/apply for funds?
- Did debarred or otherwise ineligible businesses receive/apply for funds?
- Did applicants provide inaccurate/potentially false information?
- Did the applicant receive multiple forms of assistance across programs?
- Did non-existent businesses (or non-existent prior to the pandemic) receive funds?
- Did previously debarred entities develop new identities (e.g., formed a new entity by changing name/EIN/identifying features) so that they could receive funds?
- Which applicants/awardees present risk so that I can prioritize resources?
- Can we predict potentially fraudulent applicants/activity?

…..and more.

Schedule a consultation to discuss your specific improper payment or fraud/waste/abuse challenge.
Capabilities – Eligibility Verification

Helps to provide insight into if deceased, debarred, or otherwise ineligible individuals or businesses received/applied for funds.

Data Matching

<table>
<thead>
<tr>
<th>Priority</th>
<th>Payee</th>
<th>Payment Date</th>
<th>Date of Death</th>
<th>Date of Birth</th>
<th>Data source</th>
<th>Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Person C</td>
<td>3/1/2021</td>
<td>1/1/2021</td>
<td>1/1/1940</td>
<td>DMF, AIS</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>Person A</td>
<td>3/1/2021</td>
<td>2/1/2021</td>
<td>2/1/1940</td>
<td>DMF</td>
<td>Moderate</td>
</tr>
<tr>
<td>3</td>
<td>Person B</td>
<td>3/1/2021</td>
<td>3/15/2021</td>
<td>3/1/1940</td>
<td>DMF, AIS</td>
<td>High</td>
</tr>
</tbody>
</table>

Benefits:
• Flexibility to use a variety of matching algorithms to identify applicants within data sources.
• Point-in-time capability to check if applicant appears in eligibility source within a specific timeframe.
• Ability to return relevant data points from data source to assist program in case development.
• Ability to prioritize results based on confidence & impact (e.g., size/frequency/timing of payment).
Capabilities – Identity Validation Risk Assessment

Helps to answer if applicants provided inaccurate or potentially false information.

<table>
<thead>
<tr>
<th>SSN</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>123456789</td>
<td>High risk</td>
</tr>
<tr>
<td>9999999999</td>
<td>High risk</td>
</tr>
<tr>
<td>121212121</td>
<td>High risk</td>
</tr>
<tr>
<td>12345678</td>
<td>Invalid</td>
</tr>
<tr>
<td>a12345678</td>
<td>Invalid</td>
</tr>
</tbody>
</table>

Data quality analysis

- SSN associated with deceased individual
- Business address differs from SAM registration

Network analysis

- Multiple individuals sharing a TIN
- Multiple TINs associated with a single individual

Anomaly detection

- SSN associated with deceased individual
- Business address differs from SAM registration

Benefits:

- Identify unexpected patterns in data that suggest inaccuracy may exist.
- Ability to highlight instances with discrepancies between applicant provided data and data sources.
- Ability to prioritize results based on impact (e.g., size/frequency of payment).
Capabilities – Cross Government Analysis

Helps to answer if applicant receive multiple forms of assistance across programs.

Benefits:
- Flexibility to use variety of matching algorithms to identify applicants across programs.
- Identify instances where applicants/awardees overlap with other programs.
- Ability to prioritize results based on impact (e.g., size/frequency of payment).
Helps to answer if businesses pose risk of not meeting requirements or providing other inaccurate or misleading data.

**Capabilities – Business Risk Assessment**

**Data Matching**
- Flag instances of businesses that are/are not listed in data sources
- Proxy operation date relative to application date

**Network analysis**
- Barred Entity A
- Applicant Entity B
- Bank & RTN, Address

Entity shares key features, such as; name, TIN, bank account, address; with debarred entity

**Benefits:**
- Provides supporting data points/details to assist in validating applications/awards.
- Ability to highlight instances with discrepancies between applicant provided data and data sources (e.g., employee counts, address).
- Ability to prioritize results based on impact (e.g., size/frequency of payment).
Capabilities – Customizable Risk Assessment

Helps to prioritize resources based on what your program deems as risk.

**Benefits:**
- Customizable definition of risk specific to your program.
- Ability to prioritize results based on impact (e.g., size/frequency of payment) and risk so you can determine where to allocate resources.

**Requirements**
- Risky Behaviors:
  - Invalid TINs
  - Discrepancies in applicant data
  - Association with debarred entities

**Logic Tests,**
- Data Matching,
- Network Analysis,
- Anomaly Detection

**Output**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Record ID</th>
<th>Risk score</th>
<th>Payment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>444</td>
<td>35</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>2</td>
<td>34</td>
<td>50</td>
<td>$50,000</td>
</tr>
<tr>
<td>3</td>
<td>525</td>
<td>45</td>
<td>$50,000</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>
Capabilities – Predictive Modeling

Helps to identify potential fraud so that the program can apply preventative measures to reduce fraud.

Benefits:
- Identify records that indicate possible fraudulent activity.
- Flag instances that are at higher risk for fraud.
SBA OIG received complaints of fraud regarding PPP loans

5.2M PPP loans totaling $525B issued as of August 8

Collaboration with DNP

I certify...
• No current federal debarments or suspensions
• No delinquent federal loans
• Have not defaulted on federal loans

Scope derived from self-certification requirements
Findings

SBA OIG and DNP discussed the matching parameters to ensure that results were consistent with PPP eligibility provisions

<table>
<thead>
<tr>
<th>Loans With Recipients Listed On DNP Data sources</th>
<th>1.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Without Matches</td>
<td>98.9%</td>
</tr>
<tr>
<td>57,473 Loans</td>
<td></td>
</tr>
<tr>
<td>Valued at $3.6B</td>
<td></td>
</tr>
<tr>
<td>With $280M undisbursed</td>
<td></td>
</tr>
<tr>
<td>as of August 8</td>
<td></td>
</tr>
</tbody>
</table>

PPP Loan Recipients

- Delinquent Debtors
  - TOP Debt Check
  - CAIVRS
- Debarment
  - SAM Exclusion
- Death
  - DMF
  - AIS
  - Dept. of State
  - Dept. of Defense

Potentially Ineligible Loans

Loans without matches
Findings Continued

57,473 Potentially Ineligible Loans Valued at $3.6B

3,403 Loan Servicing Locations

10 High Risk Locations

Potentially Ineligible Loans by Service Location

- Loan Volume: 49%
- Loan Amount: 28%

10 Locations vs. All Other Locations
Outcome

Analysis enabled agency to:

Prevent Future Improper Payments

- Direct focus to loans associated with potentially ineligible lenders that had undisbursed funds
- Direct focus to loans associated with potentially ineligible recipients during loan forgiveness review or further disbursements

Evaluate & Strengthen Controls:

- Identified opportunity to strengthen controls in loan forgiveness process
- Identified how DNP portal can prevent improper payments prior to award or release of funds for future PPP iterations

“Treasury’s analysis of potentially ineligible recipients demonstrates the importance of front-end controls…”
Do Not Pay
State Engagement

May 2021
Jon Ortiz
Contents

• Current Program Engagement Metrics
• Working Together
• State Program Approach
• Improper Payment Origins
• Eligibility and Dual Enrollment Tools
• CARES Act
• Success Story
• Onboarding and Project Paths
• Improper Payment Impact
Current Program Engagement Metrics

Engagement

- Engaged States: 29
- Programs: 57

FY18 – FY21

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>3</td>
<td>4</td>
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<tr>
<td>FY19</td>
<td>8</td>
<td>10</td>
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<tr>
<td>FY20</td>
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<td>21</td>
</tr>
<tr>
<td>FY21</td>
<td>20</td>
<td>17</td>
</tr>
</tbody>
</table>

Functionality

- Total Analytics: 16
  - Complete: 2
  - Delivered: 6
  - Pending: 4
- Portal Request: 4
- Portal Approved: 7

Engaged States

- FY18 – FY21 Projected:
  - FY18: 3
  - FY19: 8
  - FY20: 14
  - FY21: 20

Engaged States

- FY18 – FY21 Actual:
  - FY18: 4
  - FY19: 10
  - FY20: 21
  - FY21: 17

Map:

- Engaged States: Green
- Analytics Project: Diamond
- Portal Onboarding: Black Diamond

May 13, 2021
Working Together

Stakeholder Needs

- DNP adapts to state customer’s specific needs based on their customer type

Providing Value

- Assess state’s existing controls
  - Death Verification
  - Identification of Risky TINs
  - Data Quality
- Identifies the risk of overpayments associated with duplicate beneficiaries or providers

Developing a Reusable Solution

- Program Eligibility and Verification
- Dual Enrollment
  - Across Multiple States
  - Within a State
- Administrative Errors
  - Duplication
State Program Approach

Targeted outreach approach
- Medicaid
- CARES Act/ Pandemic Assistance
- Unemployment Insurance
- SNAP

DNP is approaching these efforts by
- Leveraging existing partners
- Targeting new partners based expected impact
SNAP and Medicaid Improper Payment Origins

DNP building analytics solutions to help resolve improper payments stemming from:

• Program Eligibility
  – Medicaid (Providers & Clients) $2.3B
  – SNAP (Recipients & Merchants) $371M

• Medicaid Claim/Billing Errors & Fraud (Providers & Clients) $11.0B

• Misuse of SNAP Funds (Recipients & Merchants) $887M

• Dual Enrollment
  – Medicaid (Clients) $5.5B
  – SNAP (Recipients) $116M
Eligibility Verification Tool

What does it do?
- Identifies if your applicants/payees are listed on eligibility sources (death, debarred providers, registered providers, & delinquent debtors)
- Identifies the extent that data quality is impacting your ability to effectively screen payees

What will it tell me?
- Determines if payees meet/fail eligibility requirements
- Tests how well current data quality & eligibility procedures are preventing improper payments
- Pinpoints potential opportunity areas to improve

<table>
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<tr>
<th>FirstName</th>
<th>MName</th>
<th>LastName</th>
<th>DOB</th>
<th>SSN/TIN</th>
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<td>Q</td>
<td>Jetson</td>
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<tr>
<td>DeceasedGeorge</td>
<td></td>
<td>Washington</td>
<td>2221732</td>
<td></td>
</tr>
</tbody>
</table>
Dual Enrollment Tool

What will it do?
- Use techniques to identify and prioritize cases of dual or duplicate enrollment across states.
- Use standardization procedures to account for formatting differences across states’ systems.

What will it tell me?
- Provides prioritized list of duplicate enrollment cases
- Provides insight into relevant details necessary for adjudication such as likely state of current residency & coverage dates
CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) is a $2.2 trillion economic stimulus bill that provided fast and direct economic assistance in response to the COVID-19 pandemic. The CARES Act was passed by Congress and signed into law in March 2020.

Oregon Audit Division

- Analytics: Unemployment Insurance
  - $198,913 (confirmed)
  - $65,756 (potential)
- Identified 502 unique matches to a death data source.
- Identified 626 individuals as having a data quality issue.
- 10 claimants with confirmed improper payments totaling $93,869
  - $55,655 being funded as part of the PUA and FPUC
- 30 claimants with known improper payments totaling $105,044
  - $96,157 being funded by the PUA and FPUC

The Oregon Healthcare Authority developed a white paper indicating DNP Services would not be beneficial. (FY 2018)

DNP conducted analysis of Oregon’s Medicaid, SNAP and TANF programs. (FY 2019)

$780K in cost avoidance/recovery as result of DNP Analysis. (FY 2020)

Oregon Office of Payment Accuracy and Recovery (centralized program that oversees Medicaid payments across Oregon) is taking steps to onboard to use DNP. (FY 2020)

“Working with Do Not Pay was a great experience! The detailed analytics DNP provided, at no charge, helped our state identify numerous improper payments. We look forward to opportunities to work together again.”

Ian Green
Principal Auditor, Oregon Audits Division
State of Oregon
Oregon Outcome & Impact

Scope
• Securely transferred data from Medicaid, SNAP, TANF, and ERDC
  – 1.4M client records
  – 66K provider records
  – 17K surviving spouse records

Outcome
• DNP identified 98 additional cases of deceased participants/providers
• DNP identified 2 records with a typo in end coverage date “2108”
  – OR estimated this error had the potential to result in $6M in improper payments over 89 years

Impact
• DNP identified $790,000 in recoupment, cost avoidance, and improper payments
• Out-of-state & In-state death matching
• Data quality assessments

“Using Do Not Pay generated a return on investment of $286 in savings for every $1 spent” - Oregon Secretary of State, Report 2020-05 (p.6)

Associated Costs

All DNP services are FREE, however there is a time and resource commitment that is needed.

- **Time Commitment**
  - Overview and Collaboration discussions
  - Complete governance/ approval processes
  - query and transfer data
  - portal usage

- **Adjudicate results**

- **Feedback**
Onboarding and Project Paths

Analytics
- Overview → Intake → Governance
- Data Transmission → Analytics Initiation → Deliverable and Feedback

Impact and ROI

Portal
- Overview → Initial Questions Document → Legal Approval
- Onboarding → Portal Use and Set-Up → Feedback
Impact to Improper Payments 2018 - 2021

Note:
Potential Improper Payments are those that the customer has confirmed has broken a rule and would therefore be considered improper, but has not yet adjudicated the record.

Confirmed Improper Payments are those that the customer adjudicated as improper.
Questions and Contact Info

Jon Ortiz
Team Lead, Outreach and Business Processes
202-874-9579
Jon.Ortiz@fiscal.treasury.gov

For more information, visit our website:
https://fiscal.treasury.gov/dnp/
Q&A Break
15 Minutes
Do Not Pay Day 2021

Financial Management Quality Service Management Office
Eric McCoy, FM QSMO

May 25, 2021
Guiding Principles and Shared Goals for the Future

Guiding Principles

• Focus on customer experience
• Maximize the strategic value of data
• Deliver progress using agile processes

Shared Goals

• Standardize processes and data
• Reduce operation and maintenance costs
• Modernize and automate processes
• Improve customer satisfaction
In the Future State, the FM QSMO acts as the broker between agencies and commercial and federal solutions. Solutions are centrally coordinated; standards are embedded in solutions and there is a unified effort to achieve goals.
What is Different Now?

The FM QSMO will…
1. Create a marketplace that is customer-centric rather than provider-centric
2. Design the marketplace with customer input
3. Facilitate access to marketplace with choice and flexibility - not a single provider
4. Offer government-wide contract vehicles with quality, standards-based solutions and services
5. Ensure marketplace solutions:
   • Quickly adopt emerging government-wide standards
   • Advance shared goals
   • Encourage innovation and commercial competition
6. Transition agency solutions to modern cloud platforms and SaaS solutions
7. Lead long-term strategic planning for agency adoption of standards-based solutions
Focusing on Customer Experience

Engage Customer
- Human-Centered Customer Experience Sessions
- Working Groups
- Validating
  - Financial Management Capability Framework
  - Marketplace Offerings

Engage Industry
- Provider Capabilities
- Best Practices
- Optimize Products
- Leverage Innovation

What we want to understand
- Needs
- Perspective
- Plans
- Pain Points
- Use of Marketplace
- Customer Personas and Journeys

What we will design
- Services Catalog
- Marketplace Capabilities
- Financial Management Capability Framework
- Operating Model for Agency Adoption
- Performance Measures

Focus on Customer Experience

1. Empathize
2. Define
3. Ideate
4. Prototype
5. Test
QSMO Collaborative Approach

Collaborating with Fiscal Service programs to…

• Promote services, including DNP, to federal customer agencies through the Marketplace
• Align on existing requirements for exchanging business information between Fiscal Service programs and core financial systems
• Identify new opportunities to integrate Fiscal Service program systems with core financial systems
• Proactively identify impacts to financial management standards
• Liaise with core financial system software vendors about modernization efforts

Collaborating with other QSMOs and Lines of Business on…

• Complementary approaches to developing the marketplace and federal customer agency engagement
• Developing performance measures for QSMOs and marketplace providers
• Sharing information
Implementation Plan

Analysis
FM QSMO will engage with stakeholders to understand needs and software capabilities
• System Profiles
• Service Catalog
• Government-wide Adoption Roadmap
• Acquisition Plan
• FSSP & Agency Plans

Solution Design
FM QSMO and stakeholders will design the Marketplace
• Core FS Specifications
• Operating Model
• Acquisition Activities

Marketplace Available
FM QSMO Marketplace solutions are available to agencies to use or to begin migration planning
• Core FS
• FM Services & Solutions

Implementation
FM QSMO will work with agencies to support Marketplace use and moves to Core FS
• Core FS Validation
• M3 Planning
• Marketplace Performance Monitoring

Customer focus drives success
Federal Agency and Partner Engagement

The FM QSMO is engaging with federal agencies, FSSPs and other stakeholders in the federal community to build value added partnerships to meet shared financial management goals and objectives.

Agency Modernization Needs
Supporting current agency efforts to modernize legacy core financial systems and address critical needs; engaging with agencies who have emerging financial system modernization needs to support planning.

Federal Shared Service Providers
Collaborating with legacy FSSPs to determine future roles as providers in the Marketplace and as early adopters of the Core FS solution; promoting ongoing information exchange across the FSSP FM community.

Agency Financial System Profiles
Maintaining agency financial system profile information to understand the current environment and identify statistics, trends and opportunities.

Best Practices & Lessons Learned
Connecting agencies to share learnings and practices.

QSMO Coordination
Coordinating with other QSMOs and GSA OSSPI to share information and identify opportunities for common or similar customer-facing approaches or processes.
Industry Engagement

The FM QSMO is engaging with industry regularly to ensure awareness and commitment around the FM QSMO Marketplace vision.

Meetings
Conduct periodic meetings with core financial management software vendors

Industry Days and Office Hours
Facilitate Industry Days and Office Hours for all interested FM QSMO Marketplace solution providers

RFI(s)
Issued one Request for Information (RFI) in December 2020 and targeting the release of a second RFI in the beginning of June 2021
Looking Ahead

FM QSMO is planning continued opportunities to collaborate to build a Marketplace that meets federal agency needs and promotes the centralized services offered by Treasury.

<table>
<thead>
<tr>
<th>Federal Agencies</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Supporting agency financial system modernization planning activities</td>
<td>• FM QSMO Industry Day event planned for May 18th</td>
</tr>
<tr>
<td>• Holding interactive CX workshops</td>
<td>• A 2nd Request for Information is targeted to be issued early this summer to solicit additional feedback from industry partners and stakeholders</td>
</tr>
<tr>
<td>• Seeking feedback on proposed capabilities for the Marketplace Core FS</td>
<td></td>
</tr>
<tr>
<td>• Making connections with other agencies to share insights and lessons learned</td>
<td></td>
</tr>
</tbody>
</table>

Email: FMQSMO@fiscal.treasury.gov
Website: www.fiscal.treasury.gov/fmqsmo
Introducing Do Not Pay’s Application Programming Interface

Hayden Gunter
May 25, 2021
What is an API?
What is an API?

A machine-to-machine interaction that takes place over a network, typically using the Hypertext Transfer Protocol (HTTP) used on the web.

- An API is a way for one software to access information from another software. An API takes the human aspect out of communicating between business lines and automates the process.

- The type of API offered by DNP is Representational State Transfer (REST). It defines the interface and conventions used between a web service provider and clients. REST is the most used and considered industry standard.

- In this case, your API would be the consumer of information and would be accessing information from DNP’s databases – as we would be the provider.

- Essentially, the consumer is integrating DNP data into their own system.
Process – High Level

- Legal Analysis/Approval
- Technical Set Up
- QA Testing
- Outcome Feedback
- Go Live!
- Production Verification
API vs. Do Not Pay Portal

• With the API, the consumer is integrating DNP data into their own system.

• DNP would assess the needs of your organization to help you make the decision on API vs. Portal.
  – Does the program need real time results or are daily results sufficient?

• Using the DNP Portal is a manual process of searching of DNP data sources.

• Portal requires people to log in and retrieve results.

• API does not require onboarding to portal.

• API can be an automated process.

• API returns results without you having to navigate to the appropriate functionality.
Query Options: Option 1 – Single Record

Single API call contains the search criteria of one entity to be matched against your agency’s approved data source(s). The DNP response will include data source match results(s) for that single entity.
Query Options: Option 2 – Multiple Record

Multiple API call contains the search criteria of up to 100 entities to be matched against your agency’s approved data source(s). The DNP response will include data source match result(s) for the searched entities.
## What Data Sources Can you Query?

<table>
<thead>
<tr>
<th>DNP Data Source Usage</th>
<th>AIS</th>
<th>DMF</th>
<th>DOD</th>
<th>DOS</th>
<th>CAIVRS</th>
<th>LEIE</th>
<th>OFAC</th>
<th>SAM Entity</th>
<th>SAM Exclusion</th>
<th>TOP Debt Check</th>
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<td>Single Query API</td>
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</table>
What Does DNP Do to Set Up?

- Initial meeting to discuss expectations.
- Initial Questions document and Legal Questionnaire sent to agency.
- Garner legal approval.
- Assist agency with technical questions during system buildout.
- Issue client certificates (QA and Production).
- QA Testing.
- Assist with go-live.
What Will You Do to Set Up?

- Initial Meeting to discuss expectations.
- Complete the Initial Questions document and Legal Approval forms (DNP will guide you through the process).
- Once legal approval is given, the agency will be responsible for creating their API system.
- Test with DNP.
- Go live and give feedback on decision made (functionality can be built into API).
What Will DNP Do With Your Feedback?

- The API team can meet with Agency Outreach and discuss how agencies are using API to better serve the agency.
- Technical team can watch for hiccups.
- This helps DNP uncover our ROI.
- Testimonials are good for business.
Current Partnerships

- Health and Human Services – Grants and Payments.
- Department of Justice - US Marshals
- Small Business Administration – 504 Sacramento Loan Processing Center (Single)
- Small Business Administration – PPP and EIDL (tbd).
Primary Contact
Name: Hayden Gunter
Title: Project Manager
Phone: 205-912-6442
Email: hayden.gunter@fiscal.treasury.gov
TRANSFORMING FEDERAL FINANCIAL MANAGEMENT

Do Not Pay Day
Fiscal Service’s Blockchain Journey

2017 - 2018

- Physical Asset Tracking
  - Gave us a foundational understanding of DLT by exploring a low-risk use case.

2018 - 2019

- Software License Tracking
  - Expanded our understanding of what does, and does not make a good use case for blockchain

- Grant Payments
  - Explored how blockchain could be used to tokenize (digitally represent), transfer, and redeem a Federal payment.
Researchers spend 44% of their research time performing mandated administrative tasks.*

More Payment Visibility = Less Reporting Burden

**Current State**
- Federal Agencies
- Multiple Grant Payment Platforms
- Prime Recipient
- Unknown Sub-Recipients

**Future State**
- Federal Agencies
- One Grant Payment Platform
- Prime Recipient
- Known Sub-Recipients

**HYPOTHESIS:**
Increased transparency of the grant payment lifecycle will bring value through reduced reporting.
An Example of Digital Asset Tokenization

DLT has the potential to fundamentally change the way the Federal government can interact, track, and transact with real-life assets through tokenization, enabling a digital world of automated rule enforcement and end-to-end visibility.

1. **Real Life Asset**
   - House

2. **Embedding Economic Value and Rights**
   - Smart contract
     - Worth $200,000
     - Owned by Bob
     - Renting Allowed

3. **Represented As A Digital Token**
   - Digital token

4. **Transferred And Tracked Across A Network**
   - End-To-End History
     - Bought by Bob on 7/5/20 for $200,000
     - Sold to Sally on 8/10/21 for $300,000
     - Sold to Arjun 9/5/25 for $400,000
“Tokenizing” a Grant Letter

A Grant Letter becomes “tokenized” by extracting, digitizing, and storing specific data elements onto a blockchain token where those data elements are permanently stored and can be transferred.
Blockchain-Based Grant Payment “Clickable Prototype”

This clickable prototype allows us to share the process flow and concepts of the prototype with greater audiences to receive their input.

Copy and paste the following link into your browser:
https://projects.invisionapp.com/share/XR102NLZB9MD

Password: fit_gps
Value Proposition of Tokenized Grants Payments For Fiscal Service

Tokenizing federal grants payments provides Fiscal Service the ability to track the payment lifecycle of a grant, increasing the Bureau’s awareness of its cash position by strategically leveraging shared data and automatically enforcing internal controls.

**Transparency**

Visibility into the lifecycle of grants enables timely and accurate reconciliation of an Agency’s Fund Balance with Treasury, enhancing Treasury’s data integrity, reducing reporting burden, and simplifying data sharing.

**Automation**

Smart contracts automate financial controls and improve risk management by cross referencing payment integrity lists (e.g. DoNotPay) to reduce loss of cash, manual oversight, and frequency of improper payments.

**Efficiency**

The peer-to-peer nature of a distributed network records a public history of transactions that is shared across parties as the single source of truth. This eliminates the need to update records multiple times and keep disparate systems in sync.

**Immutability**

Time-stamped, permanent ledger information tracked by the token across the grants payments lifecycle enables a timely and automatic execution of audits, and simplifies data calls for audit sampling.

**Resiliency**

The distributed network of shared data across federal and non-federal participants eliminates a single point of failure, increases data integrity, and enhances the Bureau’s use of data as a strategic asset.
FIT and NSF identified four immediate next steps to advance FIT’s goal of using DLT to facilitate a federal grant payment.

<table>
<thead>
<tr>
<th>1) BUSINESS AND PILOT PLANS</th>
<th>2) TECHNICAL UNDERSTANDING</th>
<th>3) EXPAND THE ECOSYSTEM</th>
<th>4) EXPLORE CONNECTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a business plan laying out a path to production, that includes a concept of operations, pilot project scope, alternatives analysis, core questions to be answered and an ROI analysis.</td>
<td>Collaborate with NIST, GAO and MIT (Capstone) to evaluate multi-agency ATO requirements, node hosting, digital wallet deployment and required infrastructure for DLT solutions.</td>
<td>Expand the ecosystem to target additional agencies, OMB, and end-users to help support the business plan, pressure test the blockchain application, and address regulatory hurdles (i.e., sub-recipient payment issue).</td>
<td>Establish API connectivity between the DLT system and NSF financial system and prime grantee in partnership with ISS.</td>
</tr>
</tbody>
</table>
Built and assessed working Blockchain prototype for the Multi-Tier Grants Payment Processes

Better understand the value proposition of DLT for this use case, enhance and modify the prototype, and move the prototype into Fiscal Service’s sandbox environment

Develop business plan and associated analysis for concept of operations and pilot plan, collaborate with NIST and JFMIP and NSF on technical issues

Conduct and assess a pilot, including making payments. Expand the prototype in accordance with the approved business plan. (execute a pilot)

Develop the path to production including expanding the prototype in accordance with the approved business plan, transition and implementation plans.

Transition to a Multi-Tier Grants Payment Blockchain

Phase 1 2020
Phase 2 2020-21
Phase 3 2021-2022
Phase 4 2022
Phase 5 2023
TBD
If you are interested in partnering with FIT on the Blockchain Project, please email us at: FIT@fiscal.treasury.gov
Thank You!