



Post Payment System (PPS): Payment Integrity's Next Chapter

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August 19, 2015

Agenda

- Post Payment System Objectives
- Delivery of Value from PPS
- Implementation Plan
- Release 1.0 Case Studies
- Data Structure to File Structure
- PPS Portal
- Release 4.0 and 5.0 Storyboards
- Next Steps

Post Payment System Objectives

The PPS Investment will provide:

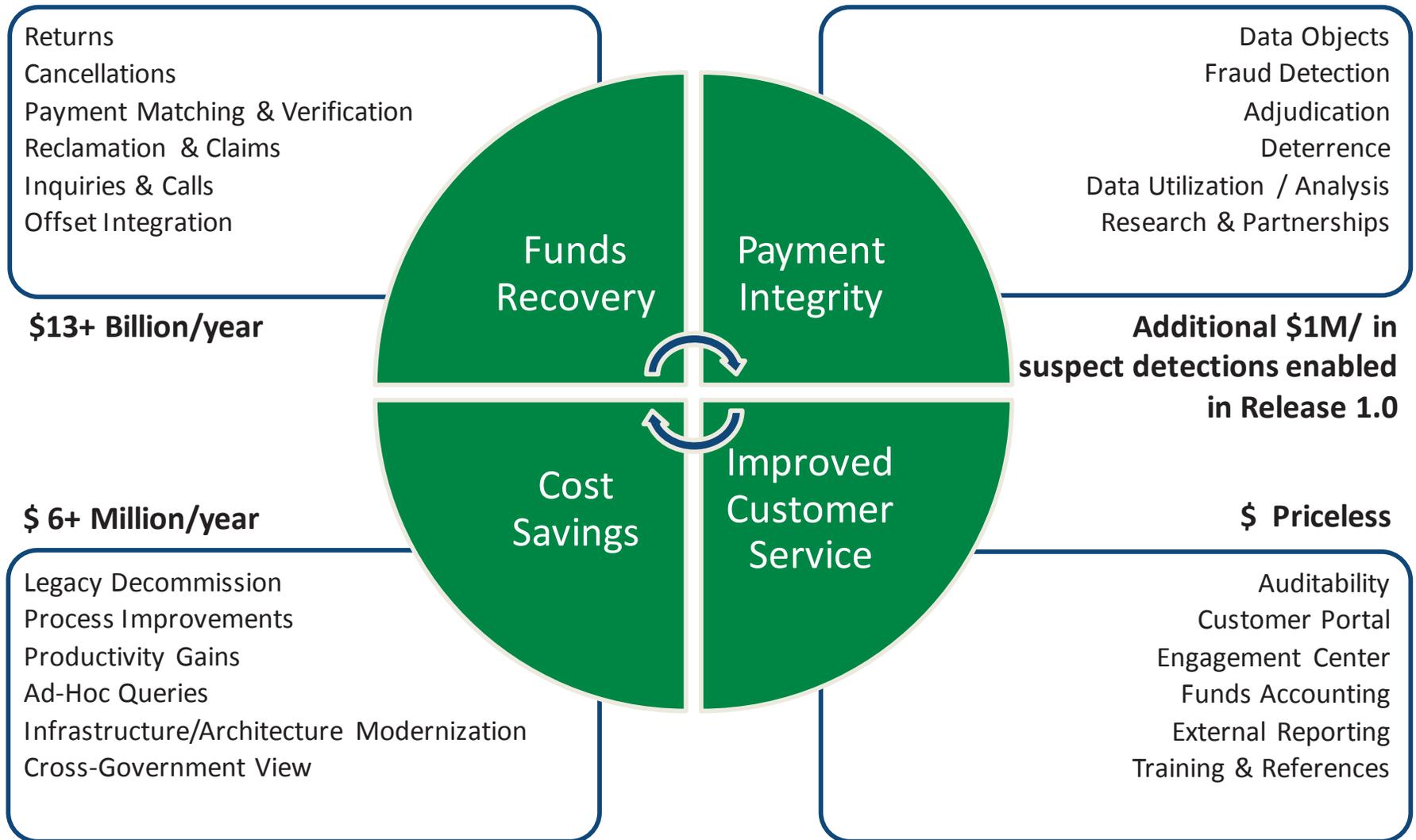
- **More Effective** Delivery of Post Payment Services
- **More Efficient** Funds Recovery (\$12 Billion+/year)
- Improved Payment Integrity
- **Customer-driven** Functionality
- Government Cost Savings and productivity gains
- Elimination of 1.5M+ pages of paper annually
- Improved compliance with A-123, A-130, internal controls and **SSAE-16 auditability**
- Secure system to protect PII

PPS will replace the following legacy systems:

- TOP Control System (TCS)
- Teletrace
- TRACS
- TCIS
- PACER

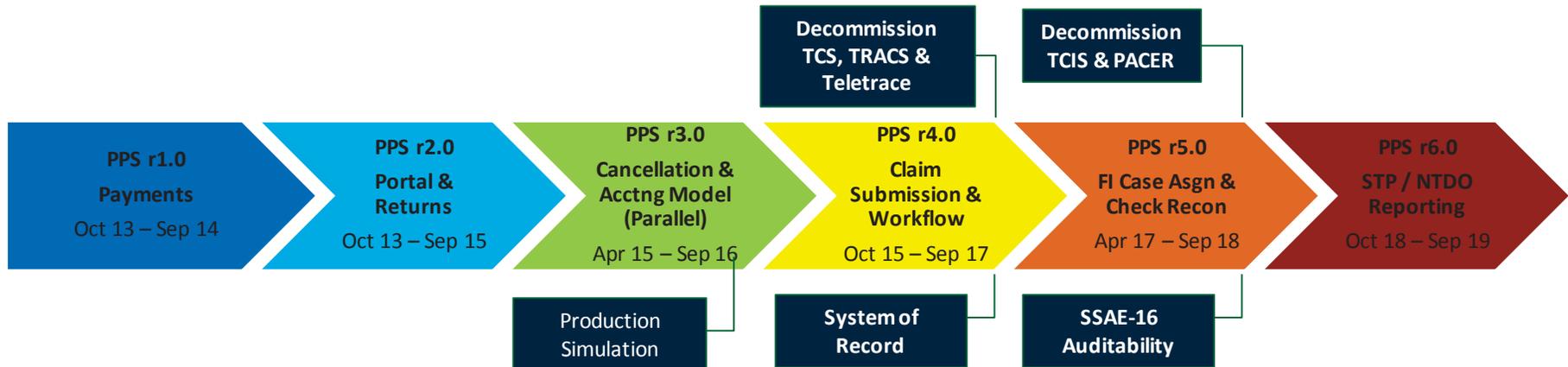
The Post Payment System will deliver more 'State of the Art' Payment Integrity, Detection, Adjudication, Funds Recovery, Deterrence, and Customer Service.

Delivery of Value from PPS



PPS Implementation Plan

Implementation Approach



One major release per year allows for:

- Comprehensive integration testing with agencies and downstream / feeder systems
- Overlap development and O&M activities
- Minor releases every other six months
- Legacy data conversion
- Coordinate interface changes
- Adequate time for required SA&A activities

Phased approach:

- Logical progression of functions
- Orderly transfer of functions from legacy
- Early adoption and realization of benefits
- FIPS-High requires full SA&A with validation of over 1,250 individual security controls

PPS Benefits by Release

Release	Content	Major Business Processes / Benefits
1.0 Sep 2014	Payments	<ul style="list-style-type: none"> Payment and Payee objects loaded PFC query and fraud detection capabilities
2.0 Sep 2015	Portal & Check Returns	<ul style="list-style-type: none"> Check returns and paper reduction Basic portal functions
3.0 Sep 2016	Cancellation & Accounting Model (parallel)	<ul style="list-style-type: none"> Production simulation & validation Payee history, research, and analysis Validation of new accounting model
4.0 Sep 2017	Claims Submission & Workflow	<ul style="list-style-type: none"> System of record (Payments, Cancellations, Claims) Workflows for claims and paper reduction Decommission TCS, TRACS, Teletrace, TCIS IV
5.0 Sep 2018	FI Case Assignment & Check Reconciliation	<ul style="list-style-type: none"> Case assignment for agencies and FIs Major productivity gains and cost savings Decommission TCIS and PACER
6.0 Sep 2019	STP & NTDO Reporting	<ul style="list-style-type: none"> Payment voucher reporting Enhanced case assignment and fraud research

Major cost savings and productivity gains

All legacy systems decommissioned

Steady state after 6.0

PPS Productivity Gains

Benefit	Target Release
<p>Improved data access</p> <ul style="list-style-type: none"> • Single source of information, reduce toggling between screens • Integrated functions and improved research (e.g. payee object view) • Improved reconciliation tools 	<p>3.0 (Partial) 4.0 (Partial) 5.0 (Full)</p>
<p>Improved response time and system availability</p> <ul style="list-style-type: none"> • Increased availability • Reduced response / wait times 	<p>3.0 (Partial) 4.0 (Partial) 5.0 (Full)</p>
<p>Automated case management and case assignment</p> <ul style="list-style-type: none"> • Reduced time spent exchanging paper forms via fax, scan, mail • Reduced phone calls with FIs • ACH Reclamations and Non-Receipt forms reduction • Agency and FI case actions, central content management • Improved recovery of reclamation funds 	<p>4.0 (Partial) 5.0 (Full)</p>
<p>Business Intelligence and Analysis</p> <ul style="list-style-type: none"> • Improved analytical data structures and data access • Reduced time on extracting, consolidating, assembling multiple data sources • Improved fraud detection analysis capabilities 	<p>4.0 (Partial) 5.0 (Partial) 6.0 (Full)</p>
<p>Improved Fraud Detection</p> <ul style="list-style-type: none"> • Automated processes • Increased recovery 	<p>4.0 (Partial) 5.0 (Partial) 6.0 (Full)</p>

PPS Release 1.0 Case Studies

It's A Small World After All

Sequence of Events:

- Detect: Multiple altered checks to single payee were discovered by Philadelphia staff
- Adjudicate: PPS and legacy data were analyzed, leveraging Payment History. Staff identified multiple check payments going to a single payee, which were then altered in amount and payee name
- Deter: Philadelphia staff compiled data – substantiating link analysis, enabling the enforcement case with:
 - Payee Information
 - Payment Information

Result:

- 38 true Check Payments in the amount of \$15k were altered to a total of \$49k
- **2 arrests, multi-count indictment**

Result of PPS Research:

Legacy operations and PPS found 38 true payments --
All 38 were altered.

<http://www.justice.gov/usao-mdfl/pr/orlando-woman-charged-multi-count-indictment-fraudulent-schemes>



Living Here in Allentown

Sequence of Events:

- Detect: Pennsylvania financial institution reached out to PFC to report a \$36k benefit payment being misdirected into one of their accounts. The payment was issued in December 2014, to a recipient different than the account owner. The intended recipient began incarceration in Summer, 2014.
- Adjudicate: Escalated within PFC, PPS identified an additional \$3k misdirected to that same account. The account owner admitted to the FI that they knowingly spent the funds not intended for them.
- Deter:
Built package of data – identifying:
 - Payment Information
 - Payee Information
- Result: Case is under investigation by T-OIG – more to come



Moon Over Miami

Sequence of Events:

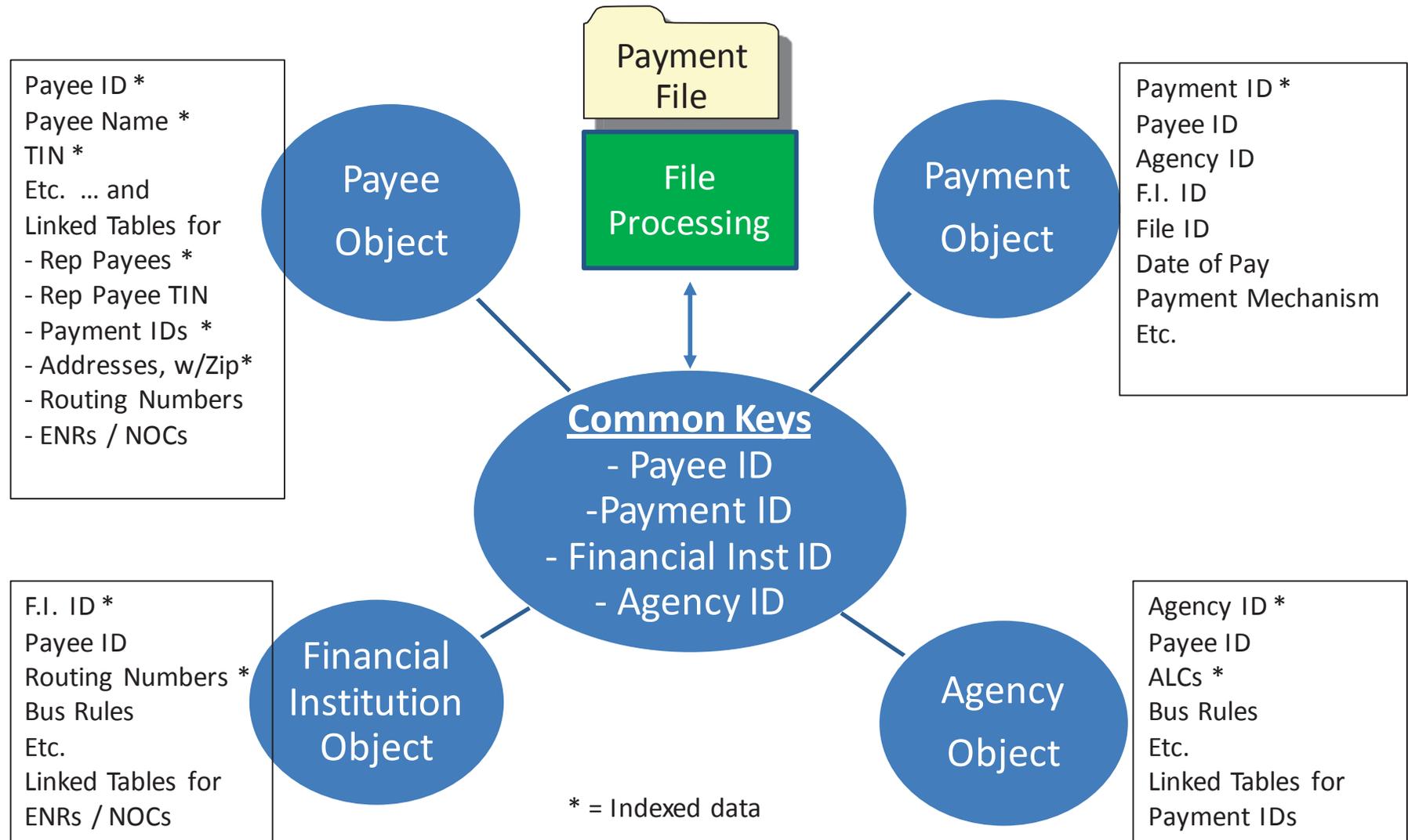
- Detect: PFC detected 17 ACH payments going to one bank account through non-receipt investigation analysis valued at over \$19k
- Adjudicate: Escalated within the PFC, and leveraging PPS and existing FI relationships, were able to gather additional data (including ATM footage)
- Deter:
Built package of data – identifying:
 - Payment Information
 - Payee Information
- Result: Case is under investigation by T-OIG



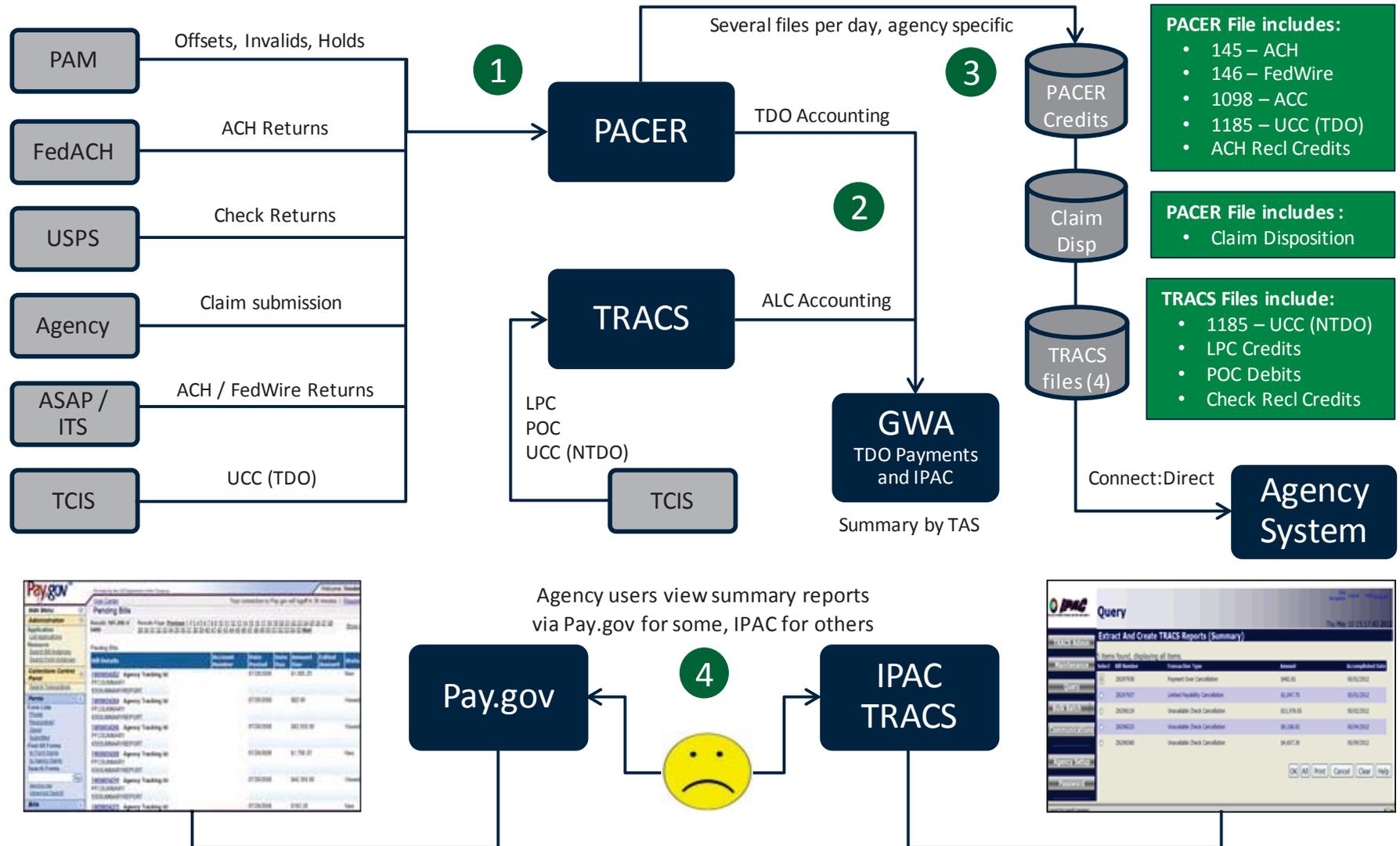
Leveraging legacy operations and PPS, case referred to
OIG valued at \$19K+ for investigation

From Data Structure to File Structure

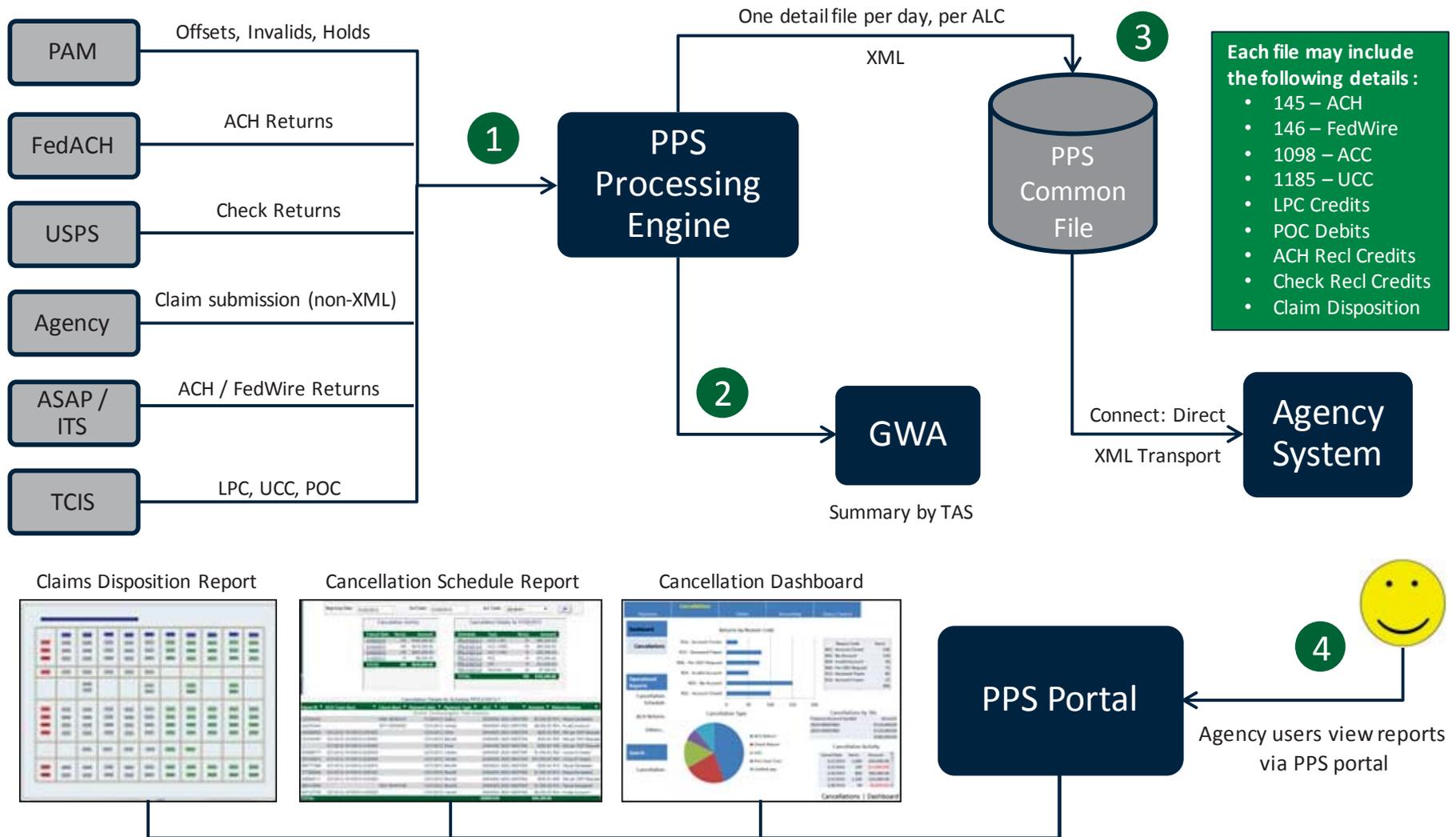
PPS Primary Data Objects (Notional Logical Structure)



Legacy Agency Interfaces



PPS Common File End State Vision



PPS Portal: A Preview

PPS Portal – Conceptual Depiction

Home Payments Cancellations Claims Accounting Query / Search Ad Hoc

Dashboard Operational Reports Query / Search New Tab

Payment

Payee

Search for payment by:

Check Number ACH Number FedWire IMAD

Payee ID and Payment Date Range Bank RTN and Acct Payment Amount and Payment Date Range

Check Number: -

or

ACH Trace Number:

or

FedWire IMAD:

or

Payee ID:

Payment Date From:  To: 

or

Bank RTN and Account Number:

or

Payment Amount:

Payment Date From:  To: 

Payment and Payee Search

- Several search methods
 - Payee ID or TIN
 - RTN and Account #
 - Check / Trace / IMAD
 - Amount and Date Range

Are there other search parameters useful to your agency?

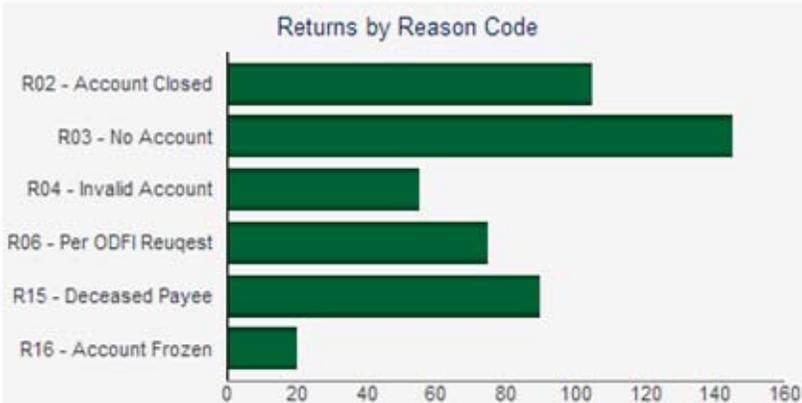
How do you search for payees and payments?

PPS Portal – Conceptual Depiction

Home Payments Cancellations Claims Accounting Query / Search Ad Hoc

Dashboard Operation Reports Query / Search New Tab

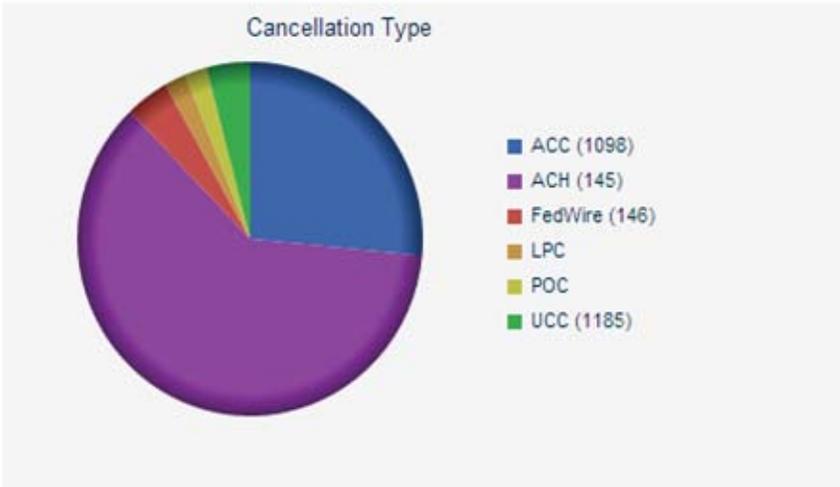
Beginning Date: End Date: ALC Code: 28048404



Returns by Reason Code

Reason Code	Items
R02 - Account Closed	105
R03 - No Account	145
R04 - Invalid Account	55
R06 - Per ODFI Request	75
R15 - Deceased Payee	90
R16 - Account Frozen	20

What types of cancellation summary information would be useful to your agency?



Cancellations by TAS

Treasury Account Symbol	Amount
2820 X8007000	\$520,000.00
2820 X9007000	\$120,000.00
TOTAL	\$640,000.00

Cancellation Activity

Cancel Date	Items	Amount
01/02/2013	185	\$185,000.00
01/04/2013	190	\$210,000.00
01/05/2013	105	\$253,000.00
01/08/2013	10	-\$8,000.00

- Cancellation Dashboard
- Several summary metrics
 - User supplies date range and ALC
 - User can determine sort preferences

Cancellation Schedule

Beginning Date: End Date: ALC Code:

Cancellation Activity		
Cancel Date	Items	Amount
01/02/2013	185	\$185,000.00
01/04/2013	190	\$210,000.00
01/05/2013	105	\$253,000.00
01/08/2013	10	-\$8,000.00
TOTAL	490	\$640,000.00

Cancellation Details for 01/02/2013			
Schedule	Type	Items	Amount
PPS-010213-1	ACH (145)	75	\$95,000.00
PPS-010213-2	ACC (1098)	55	\$60,000.00
PPS-010213-3	UCC (1185)	10	\$25,500.00
PPS-010213-4	POC	10	-\$15,000.00
PPS-010213-5	LPC	15	\$12,000.00
PPS-010213-6	FedWire (146)	20	\$7,500.00
TOTAL		185	\$185,000.00

Cancellation Details for Schedule PPS-010213-1

Payee ID	ACH Trace Num	Check Num	Payment Date	Payment Type	ALC	TAS	Amount	Return Reason
Active Technologies Trial Version								
222244445	.	6081-98765432	11/20/2012	Salary	20094500	2820 X8007000	\$5,000.00	R15 - Payee Deceased
222333444	.	2071-55555555	12/31/2012	Vendor	28040004	2820 X9007000	\$8,000.00	R04 - Invalid Account
240296892	12312012-10103615-0354822	.	12/31/2012	Other	28040004	2820 X8007000	\$200.00	R06 - Ret per ODFI Request
333444555	12312012-10103615-0145600	.	12/31/2012	Benefit	20094500	2820 X8007000	\$200.00	R06 - Ret per ODFI Request
	12312012-10103615-0145600	.	12/31/2012	Other	20094500	2820 X8007000	\$200.00	R06 - Ret per ODFI Request
555666777	12312012-10103615-0220008	.	12/31/2012	Vendor	20094500	2820 X9007000	\$1,200.00	R02 - Account Closed
581045815	12312012-10103615-0220008	.	12/31/2012	Vendor	20094500	2820 X9007000	\$15,000.00	R02 - Account Closed
666777888	12312012-10103615-0125615	.	12/31/2012	Benefit	28040004	2820 X8007000	\$200.00	R15 - Payee Deceased
777888999	12312012-10103615-0025423	.	12/31/2012	Benefit	20094500	2820 X8007000	\$1,000.00	R15 - Payee Deceased
888999111	12312012-10103615-0354822	.	12/31/2012	Benefit	28040004	2820 X8007000	\$200.00	R06 - Ret per ODFI Request
980143848	.	5501-95467546	12/31/2012	Benefit	20094500	2820 X8007000	\$1,000.00	R15 - Payee Deceased
987123789	12312012-10103615-0125820	.	12/31/2012	Vendor	28040004	2820 X9007000	\$8,000.00	R04 - Invalid Account
TOTAL					280861520		\$40,200.00	

- Cancellation Schedule Reconciliation:
- Daily schedule summary and detail
 - Drilldown for details
 - Downloadable

What types of cancellation summary and detail information would be useful to your agency?

PPS Portal – Conceptual Depiction

Home Payments Cancellations Claims Accounting Query / Search Ad Hoc

Dashboard Operational Reports Query / Search New Tab

Payment

Payee ID: 1234456789A1
TIN: 123456789
Payee Name: John Smith Other Names Used:
Bank RTN: 323070380 and Account #: 123456789

ALC	Check Item Cnt	Check Amt	ACH Item Cnt	ACH Amt
28040004	0	.00	1	2,000.00
28044700	0	.00	6	6,000.00
TOTAL	0	.00	7	8,000.00

Payment History

Date	Description
07/29/2014	Return payment
06/03/2014	Payment
12/02/2013	Payment
11/01/2013	Payment
10/01/2013	Payment
09/03/2013	Payment
08/01/2013	Payment
07/15/2013	Payment
07/02/2013	ENR Claim
07/01/2013	Payment
05/15/2013	ACH enrollment
05/01/2013	Payment
04/01/2013	Payment
03/01/2013	Payment
02/15/2013	ACH enrollment
02/01/2013	Payment
01/02/2013	Payment

Claims Summary

Claim Date	Claim Reason
07/02/2013	Non-receipt of ACH

Returns Summary

Claim Date	Return Reason
07/29/2013	R06

360 Degree view of the Payee

- Payment Summary
- Name / Address changes
- History
 - Payments
 - Claims
 - Returns
- Drilldown for details

What types of payee summary and detail information would be useful to your agency?

Payee

PPS Release 4.0 and 5.0 Storyboards...How the system will work

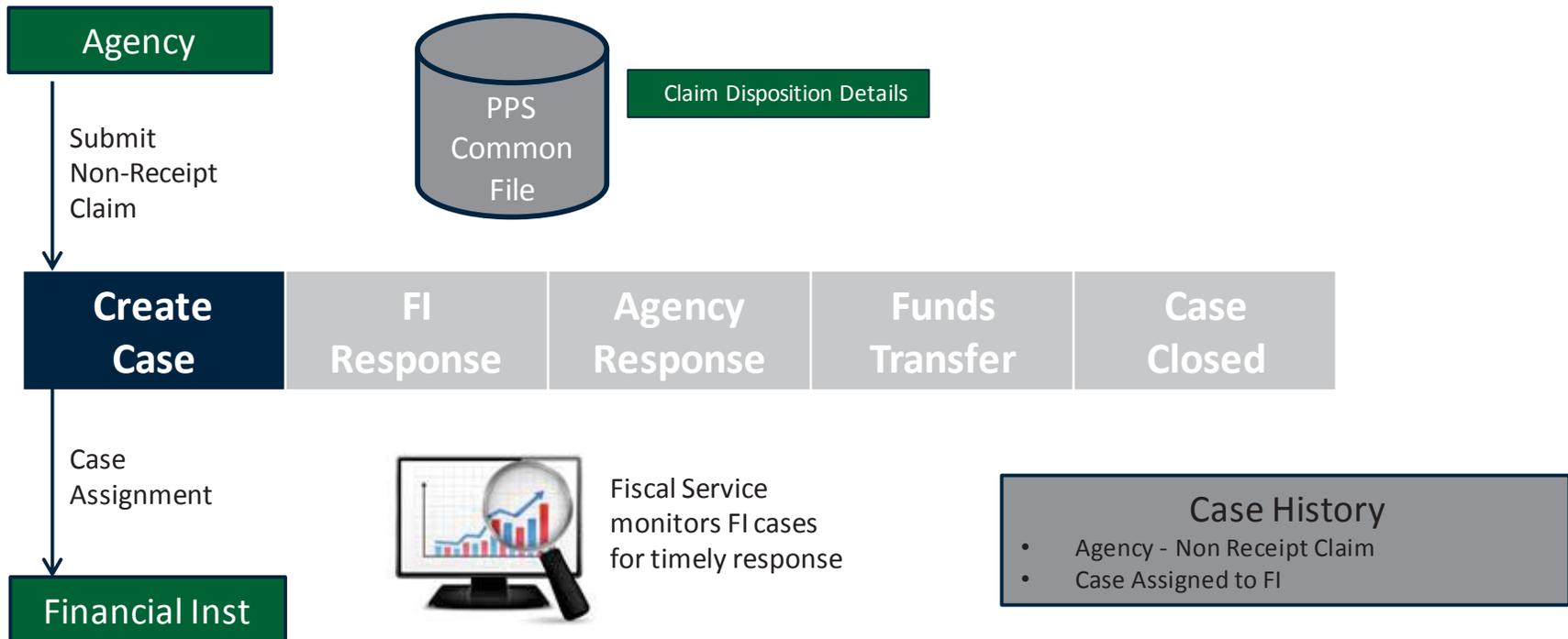
PPS Storyboard – ACH Non-Receipt

- Sequence of events
 - Agency submits Non-Receipt Claim to Treasury
 - FI Responds funds posted on payment date, however name on account does not match the beneficiary, e.g. Misdirected
 - Funds are available
 - Agency requests FI to return funds (new functionality)
 - FI returns funds via R06 ACH Return
 - Funds sent to Agency via credit to Agency TAS
 - Agency receives details via Report

Highlight:

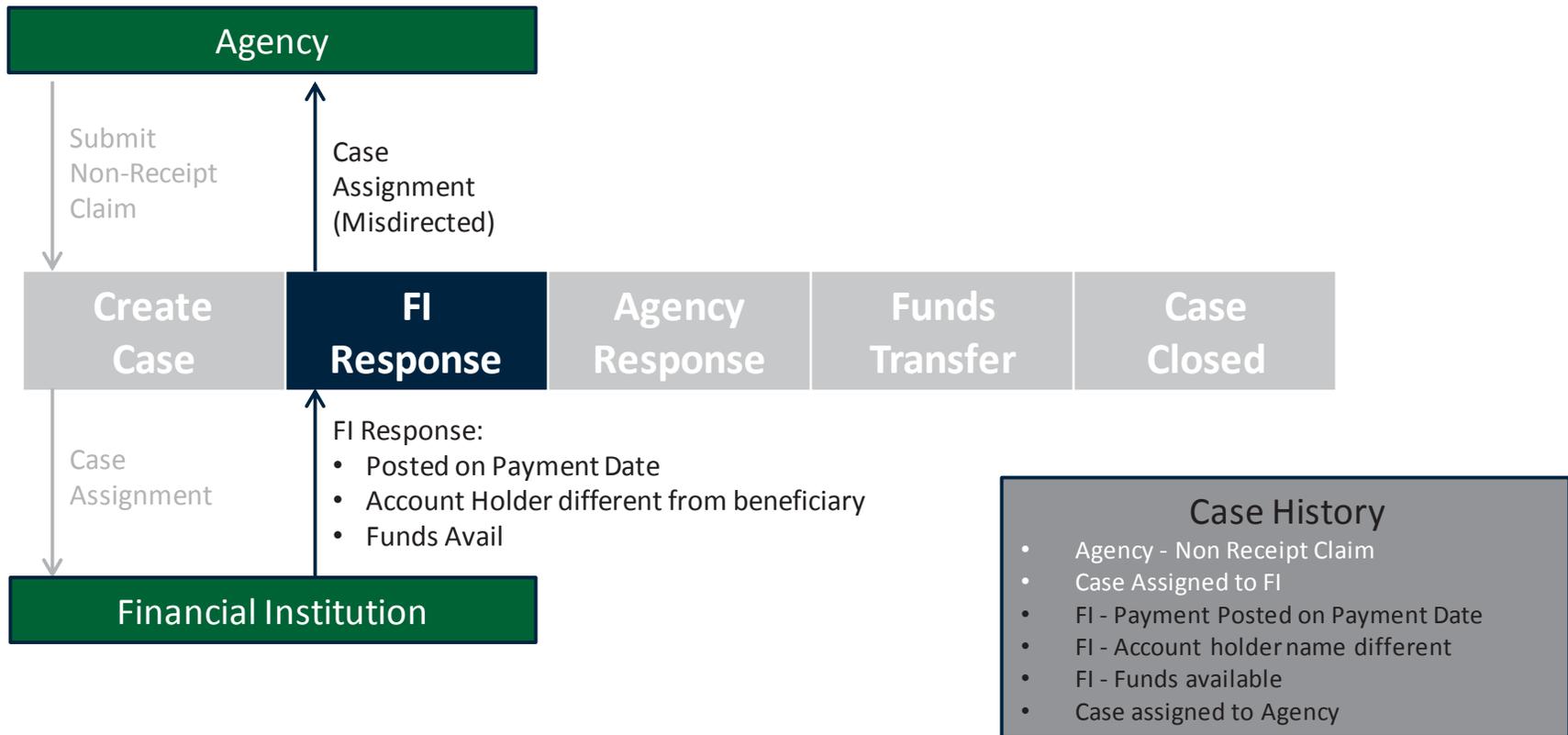
- Case Assignments and Alerts
- Recovery Request
- Online reports

PPS Storyboard – ACH Non-Receipt



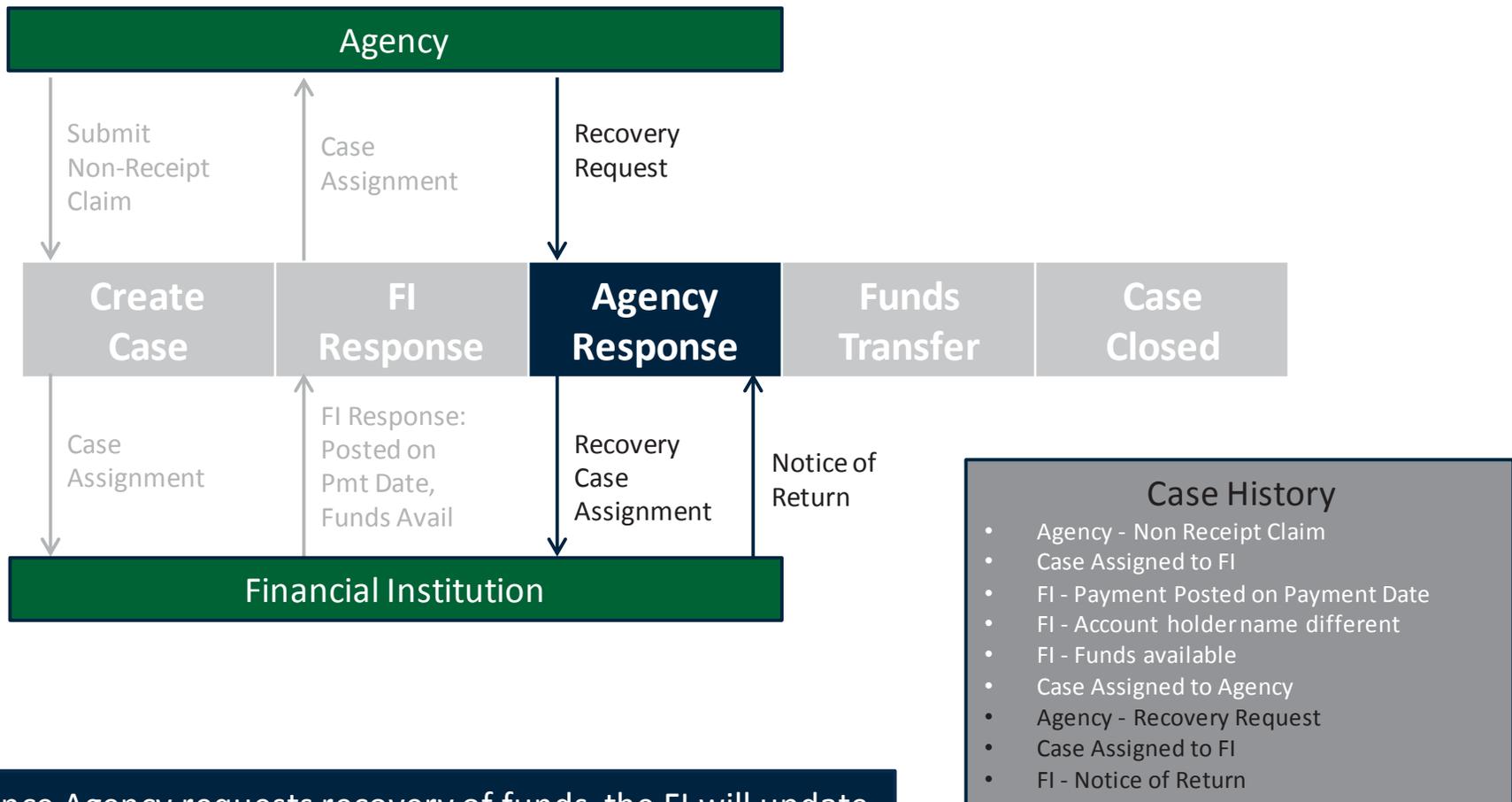
- Agency Claim creates a case assignment to the FI
- Agency systems receive claim disposition details via the common file (optional)
- Case History is visible to Agency, FI, and Fiscal Service
- Fiscal Service monitors case throughout the process and follow up with the FI as needed

PPS Storyboard – ACH Non-Receipt



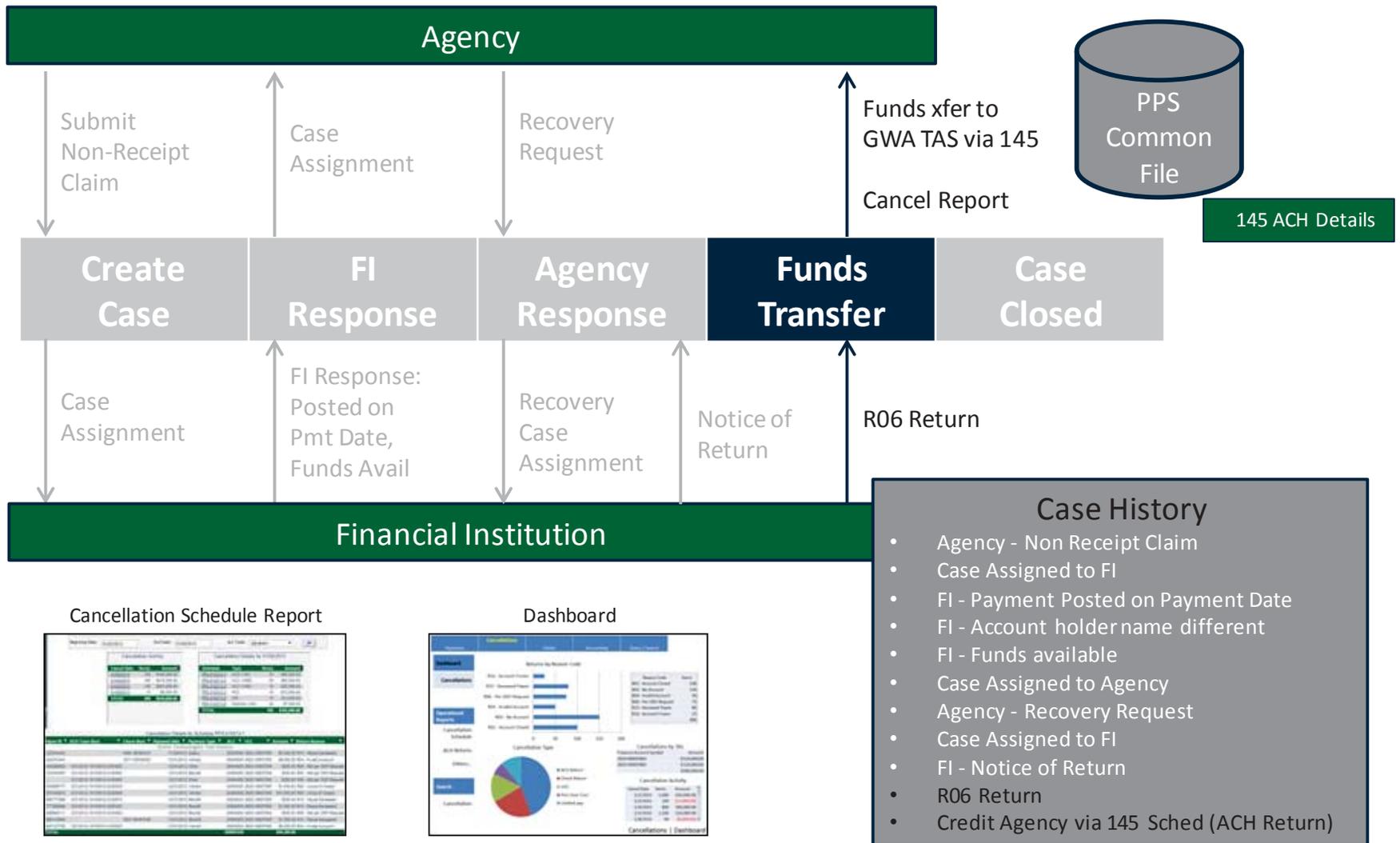
- As the case proceeds, the case history is updated
- Users can be notified via alerts as cases come back to Agency

PPS Storyboard – ACH Non-Receipt



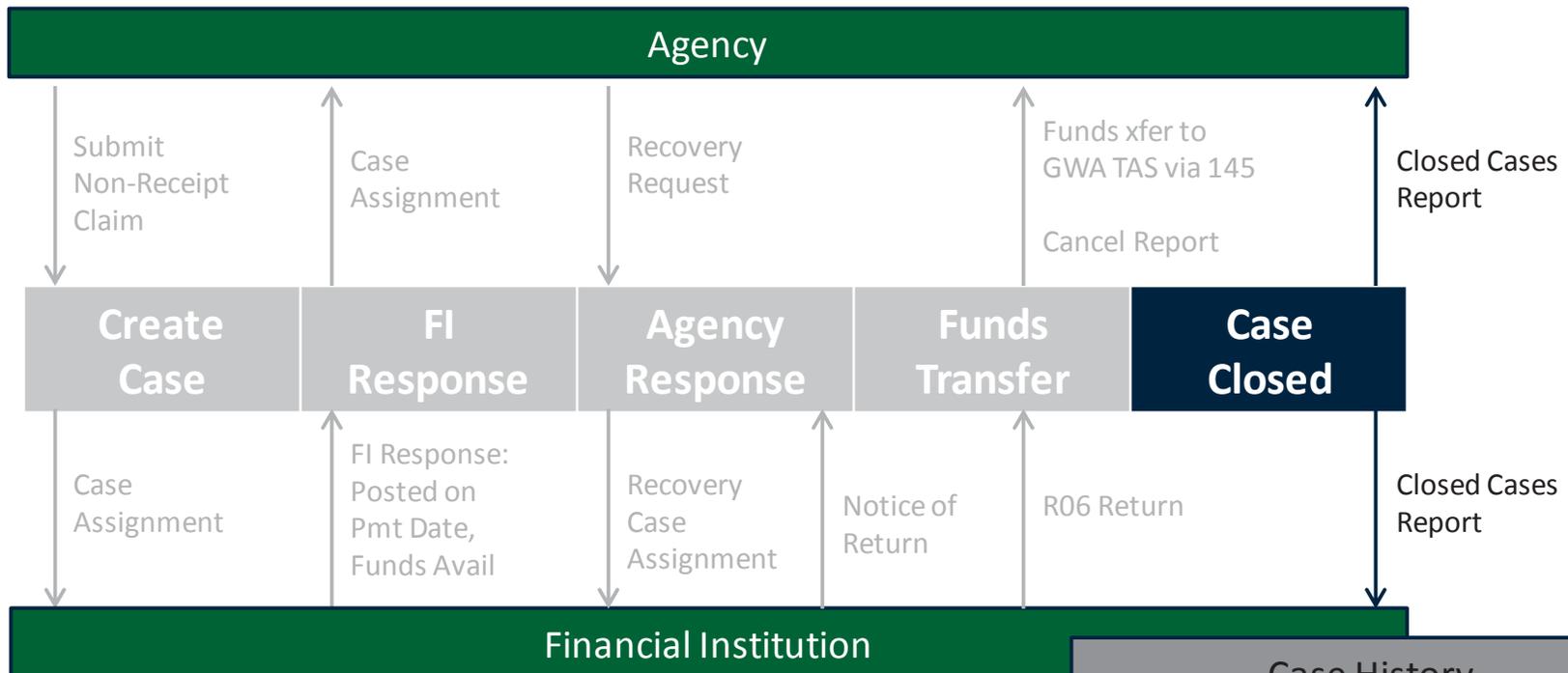
Once Agency requests recovery of funds, the FI will update the case with their intent to submit ACH Return (R06)

PPS Storyboard – ACH Non-Receipt



- Agency systems receive cancellation details via the common file
- Portal dashboard and reports capture the ACH Return

PPS Storyboard – ACH Non-Receipt



Dashboard



Claims Cases Report

Claims Cases Report screenshot showing a table with columns for case details and status.

Case History

- Agency - Non Receipt Claim
- Case Assigned to FI
- FI - Payment Posted on Payment Date
- FI - Account holder name different
- FI - Funds available
- Case Assigned to Agency
- Agency - Recovery Request
- Case Assigned to FI
- FI - Notice of Return
- R06 Return
- Credit Agency via 145 Sched (ACH Return)
- Case Closed

- Portal dashboard and reports capture the closed case
- No paper, no calls, immediate access to information

Next Steps

- Ensure your agency is informed:
 - Encourage colleagues to attend an Introductory Session webinar (resuming in September)
 - Attend a Common File Format walkthrough webinar (if applicable)
 - Attend a PPS: What's Next? Webinar
 - Direct any questions to the PPS Staff

Learn more and sign up for webinars here!

http://www.fiscal.treasury.gov/fsservices/gov/pmt/pps/pps_home.htm

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