



BUREAU OF THE  
**Fiscal Service**  
U.S. DEPARTMENT OF THE TREASURY

# Getting Results: How Privacy Compliance can Improve your Agencies' Matching Potential and Reduce Improper Payments

Marcela Souaya, Senior Privacy Analyst  
Do Not Pay (DNP) Business Center  
12 AUG 14  
8-9am

# Agenda

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- Overview of DNP's One Stop Shop to Identify Improper Payments
- DNP Data Sources
- Gaining Access via Computer Matching Agreements (CMAs)
- Lessons Learned from Matching Successes

# Program History & Timeline

## **Improper Payment Elimination and Recovery Improvement Act of 2012 (IPERIA), Public Law 112-248**

Enacted January 10, 2013

## **Database Integration Plan for the Do Not Pay Initiative**

May 2013

## **Memorandum For Heads of Executive Departments and Agencies: Protecting Privacy while Reducing Improper Payments with the “Do Not Pay Initiative”**

August 2013

Reinforced the Administration’s ongoing efforts, IPERIA requires Federal executive agencies to review, as appropriate and before issuance, all payments and awards for all programs through a Do Not Pay Working System by June 1, 2013.

IPERIA requires the Office of Management and Budget (OMB) to develop a Database Integration Plan for the Do Not Pay Initiative focusing on the following elements:

- Providing agency access to the Do Not Pay Initiative
- Improving data use agreements to facilitate data access for the purposes of program integrity; and
- Including other databases in the Do Not Pay Initiative

OMB pursued a phased approach in implementing the databases that agencies will use to check, as appropriate, all awards and payments.

The first phase focuses on two publicly available databases, Social Security Administration’s Death Master File (DMF) and General Services Administration’s (GSA) System for Award Management (SAM)/Excluded Parties List System (EPLS).

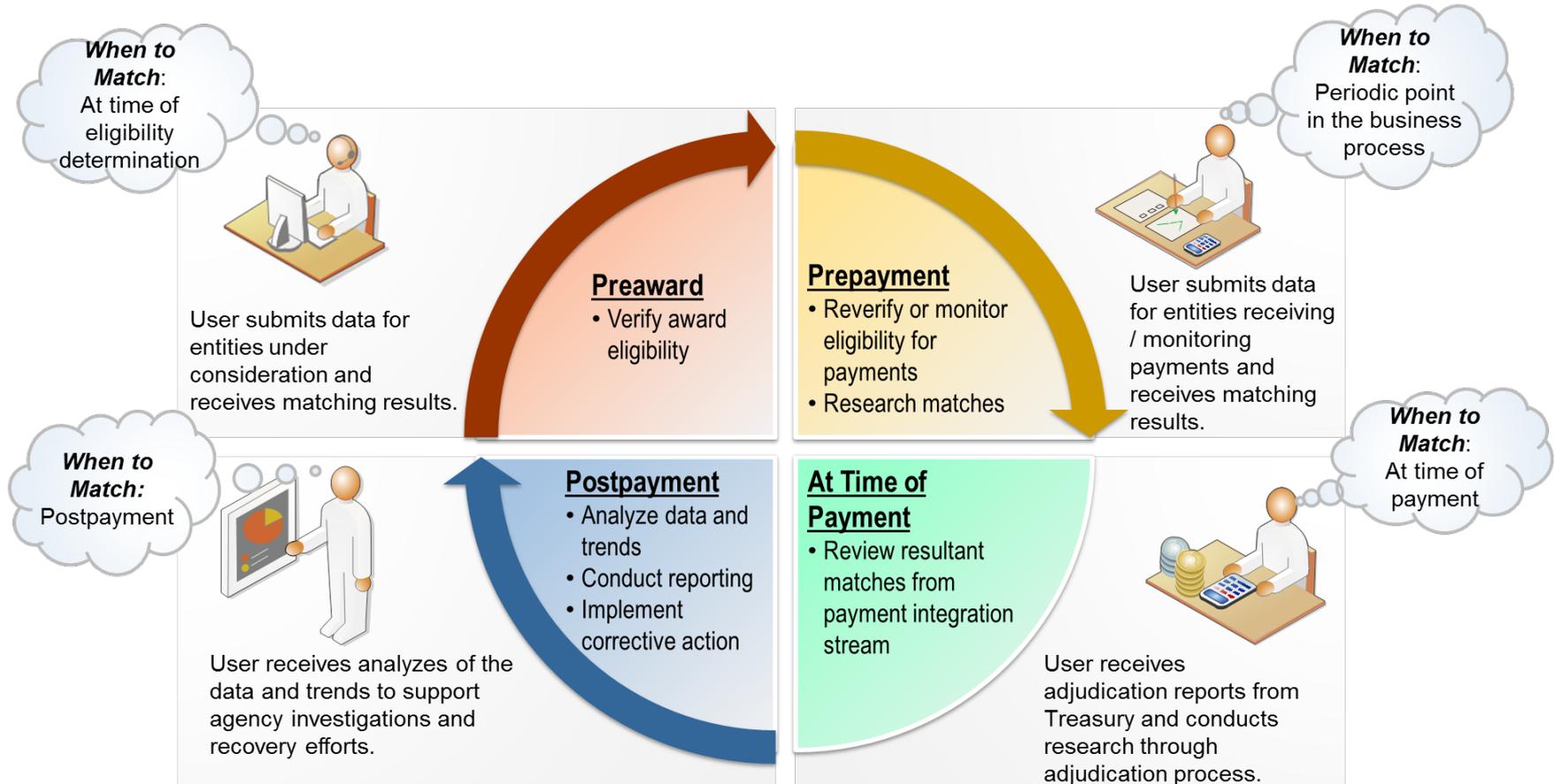
IPERIA allows the expansion of databases. The Fiscal Year 2014 President’s Budget included key proposals to strengthen Do Not Pay by expanding access to multiple statutorily restricted databases.

This memorandum sets forth implementation guidance for the DNP Initiative to help ensure that the Federal Government’s efforts to reduce improper payments comply with privacy laws and policies. It builds on previous OMB guidance.

Although this Memorandum creates new policy requirements, it does not extend the legal requirements of the Privacy Act to information or activities that would not otherwise be covered under the statute.

The DNP-specific standards and procedures do not apply to other efforts to combat improper payments or matching programs that are not part of the DNP Initiative.

# Payment Cycle with DNP Touch Points



# DNP's One Stop Shop Functionality



## 1. Online Single Search

Enter transactions into Treasury's Working System one at a time to be matched against the requested data sources, with the immediate results returned to you.



## 2. Batch Matching

Match large number of your files against your approved data sources with the results sent back to you in a large file format.



## 3. Continuous Monitoring

Match your data against a particular data source on a recurring basis.



## 4. Payment Stream Integration

Treasury automatically matches your payment files against your approved data sources at time of payment.

# DNP Data Sources as of AUG 14

- Public vs. Restricted fields of authorized data sources within Treasury's Working System

Data Source	Public Content	Restricted Content	Memoranda of Understanding (MOU) or Subscription Status
SSA Death Master File (DMF)	SSN, Name, Date of Death, Date of Birth, verified or proof indicator.	No additional data elements; additional 10+ million records from States.	Subscription in place with DNP for public version. Full/private DMF not available to DNP.
GSA System for Award Management (SAM) Exclusions	Name, DUNS, and information about debarment.	Taxpayer Identification Number (TIN) and full address.	MOU effective as of 26 FEB 2014.
HHS OIG List of Excluded Individuals and Entities (LEIE)	Name, specialty, date of birth, address, and exclusion type.	TIN.	MOU effective as of 12 JUN 2014.
Treasury's Offset Program (TOP) Debt Check	None.	Name, TIN, date of delinquency, debtor status.	MOU effective as of 02 APR 2014.
Credit Alert Verification Reporting System (CAIVRS)	None.	Borrower TIN and information on which agency is owed.	MOUs pending with SBA, VA, DOJ, Education, HUD and USDA.
SSA's Prisoner Update Processing System (PUPS)	None.	SSN, Name, DOB, dates of confinement, and facility contact information.	MOU pending.

# Benefits of Matching Against Restricted Sources

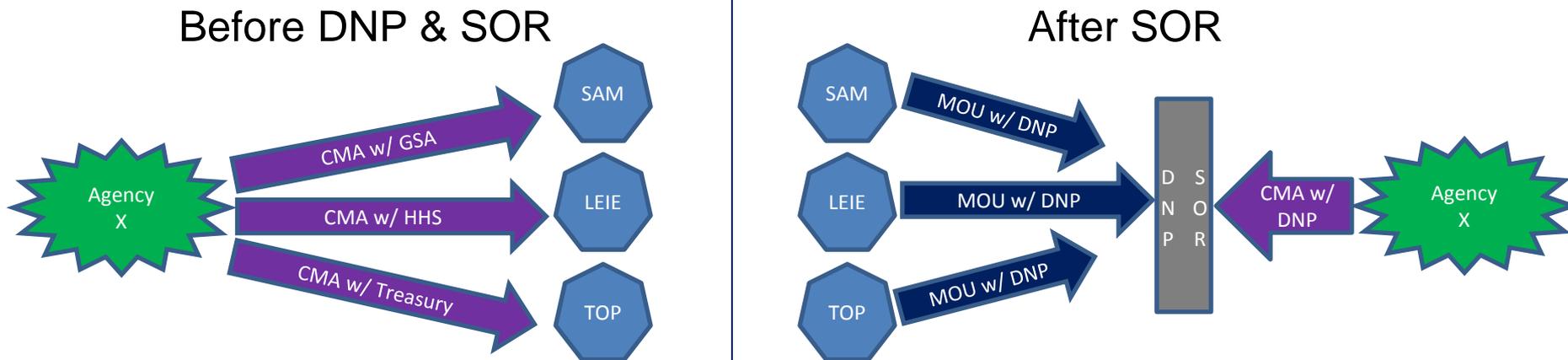
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- Reduces false positives
- Reduces manual work by increasing the number of conclusive matches
- Provides Shared Service Providers better information to their customers
- Provides disaster relief in a timelier manner by matching pre-payment files

# Restricted Access Granted via CMAs

- JAN 2014, Do Not Pay Verification Records System of Records Notice (SORN #.023) became effective
  - Enables DNP to derive data and retain records, and enter into CMAs

**Example of SOR's impact: If agency X wanted to match against Privacy Act protected SAM Exclusions-private, LEIE & TOP Debt Check...**



# CMA Triggers

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- Matching against data sources with personally identifiable information (PII) on U.S. citizens; deceased are not covered by Privacy Act
- Typically, only Federal benefit programs providing cash or in-kind assistance to individuals are covered
- Presently, only batch and continuous monitoring (ConMon) users will need CMAs to match against restricted sources within Treasury's Working System

# CMAAs are NOT Required

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- Statistical matches
- Matching programs that do not involve verifying eligibility in a Federal benefit program
  - Example: When the purpose of the match is to make procurement decisions

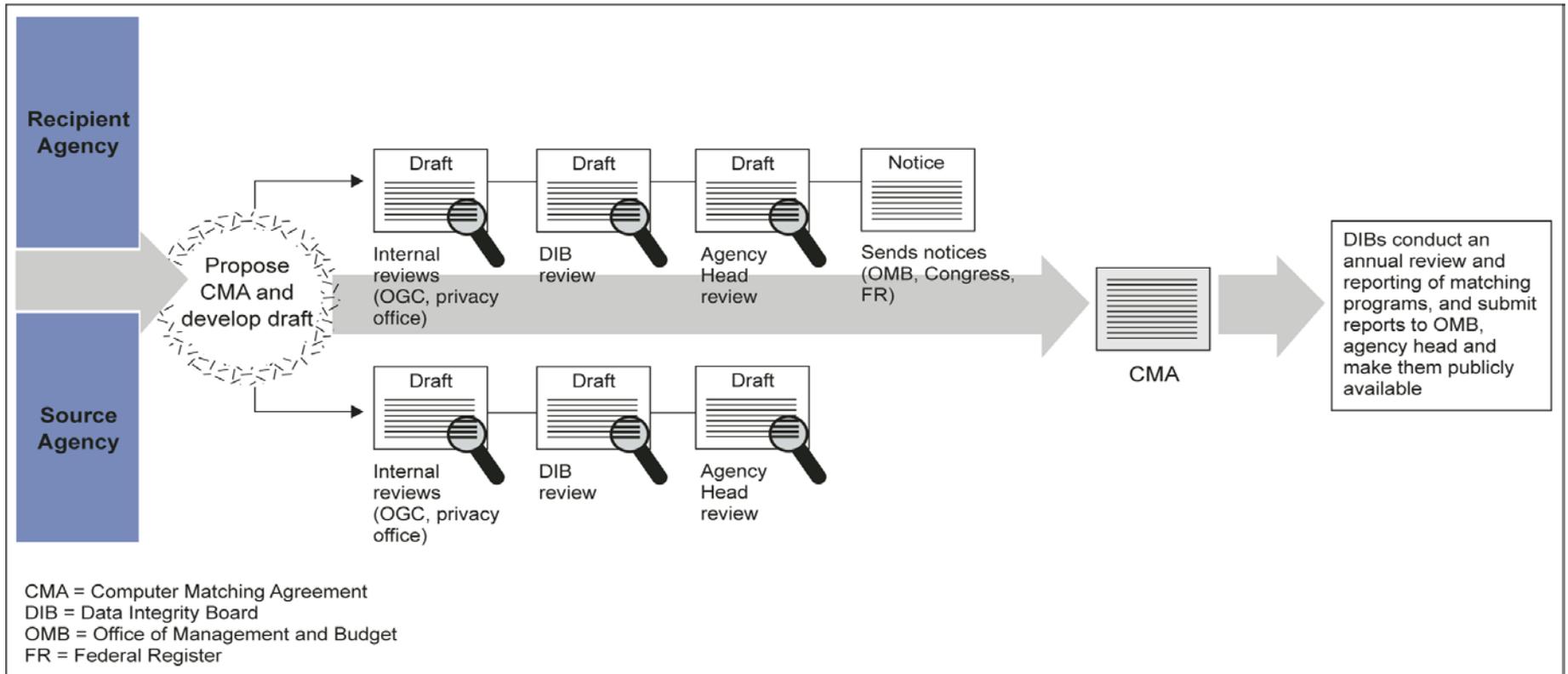
# CMA Process – OMB M-13-20

- Highlights of OMB M-13-20 (16 AUG 2013), Protecting Privacy while Reducing Improper Payments with the Do Not Pay Initiative:

Topic	Excerpt
CMA Lifespan	Matching programs have a termination date of less than three years. Agencies may renew these CMAs for a maximum of three years.
Review Period	Data Integrity Boards (DIBs) have a 60-day deadline for review of a CMA. If circumstances do not permit the DIB to approve or disapprove the DNP matching program within 60 days, the DIB shall provide a brief memorandum to the head of the agency (or to the Inspector General in cases where the Inspector General proposed the matching program) describing the necessity for the delay.
Cost Benefit Analysis	Agencies' cost-benefit analyses for a DNP matching program need not contain a specific estimate of any savings.

# CMA Process - Documentation

- Recipient Agency = DNP Customers
- Source Agency = Treasury's DNP



Source: GAO analysis of Privacy Act requirements and agency documentation.

# Lessons Learned - Example

	January, 2014	February, 2014
Total Payments	\$191,225,037,880	\$155,985,536,614
SAM Exclusions- <b>Public</b> Matches	<b>\$876,707,274</b>	<b>\$840,440,999</b>
SAM Exclusions- <b>Public</b> Improper	\$3,838	\$2,698
Matches as % of Payments	0.4585%	0.5388%
Improper as % of Matches	0.0004%	0.0003%



	January, 2014	February, 2014
Total Payments	\$191,225,037,880	\$155,985,536,614
SAM Exclusions- <b>Private</b> Matches	<b>\$1,593,129</b>	<b>\$2,638,512</b>
SAM Exclusions- <b>Private</b> Improper		
Matches as % of Payments	0.001%	0.002%
Improper as % of Matches		

Reduction in Matches

99.75%

PACER			
Name	TIN	State	Payment
John Smith	123456789	CA	\$100.00

SAM Exclusions Public		
Name	TIN	State
John A. Smith	-	AL
John B. Smith	-	AZ
John C. Smith	-	AR
John D. Smith	-	DE
John E. Smith	-	HI
John F. Smith	-	IL
John G. Smith	-	IA
John H. Smith	-	IN
John I. Smith	-	MO
John J. Smith	-	OH
John K. Smith	-	CA
John L. Smith	-	UT
John M. Smith	-	ID
John N. Smith	-	TN
John O. Smith	-	KY
John P. Smith	-	FL
John Q. Smith	-	GA
John R. Smith	-	RI
John S. Smith	-	VT
John T. Smith	-	MA
John U. Smith	-	PA

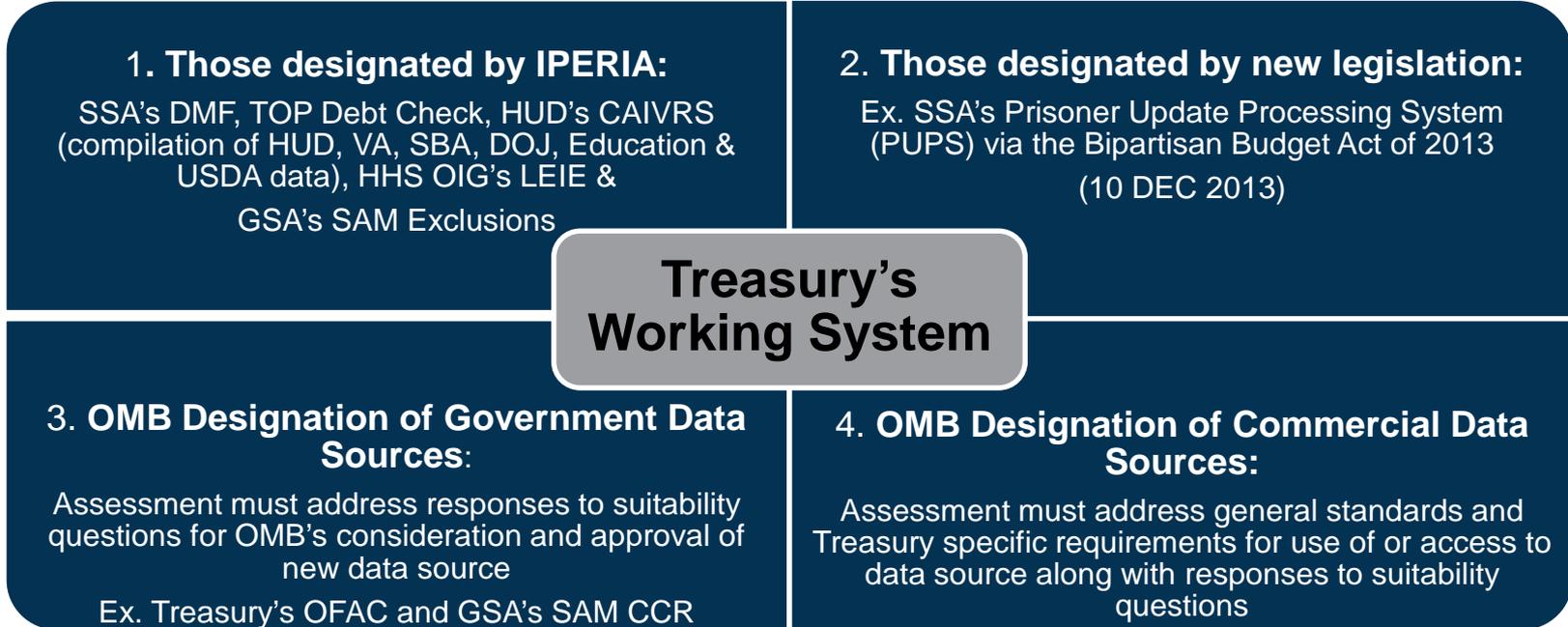
PACER			
Name	TIN	State	Payment
John Smith	123456789	CA	\$100.00



SAM Exclusions Private		
Name	TIN	State
John A. Smith	-	AL
John B. Smith	012345678	AZ
John C. Smith	234567890	AR
John D. Smith	345678910	DE
John E. Smith	456789012	HI
John F. Smith	567890123	IL
John G. Smith	678901234	IA
John H. Smith	789012345	IN
John I. Smith	890123456	MO
John J. Smith	-	OH
John K. Smith	102030405	CA
John L. Smith	901234567	UT
John M. Smith	987654321	ID
John N. Smith	987654321	TN
John O. Smith	-	KY
John P. Smith	-	FL
John Q. Smith	765432108	GA
John R. Smith	654321098	RI
John S. Smith	543210987	VT
John T. Smith	432109876	MA
John U. Smith	032109875	PA

# Continuous Improvement for our Customers

- DNP will continue to strive to make available the best data sources from the government *and* private sector, in accordance with OMB M-13-20



# Resources

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- If you think a CMA would benefit your agency, please contact your Relationship Manager (RM) or [donotpay@stls.frb.org](mailto:donotpay@stls.frb.org)
- DNP Privacy site with SORN & future CMAs
  - <http://www.donotpay.treas.gov/Privacy.htm>
- Marcela Souaya, DNP Senior Privacy Analyst
  - 202.504.3525 or [marcela.souaya@fiscal.treasury.gov](mailto:marcela.souaya@fiscal.treasury.gov)

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# Appendix – CMA Process Roles & Responsibilities

# Roles & Responsibilities – DNP Customers

- Dependent on internal protocols and organizational structure

Role	Responsibility
Privacy Professional	<ol style="list-style-type: none"> <li>1. Determine if a CMA would benefit your agency               <ol style="list-style-type: none"> <li>a) What's the impact on existing batch/ConMon activities using PACER when automatic matching against PAM commences with R3.0?</li> </ol> </li> <li>2. If a CMA would be advantageous, what SORs align to the systems that you wish to match against?</li> <li>3. Of those SORs, will existing routine uses permit disclosure to DNP?               <ol style="list-style-type: none"> <li>a) If yes, populate CMA template and release to DNP</li> <li>b) If not, amend SORs</li> <li>c) Not sure, ask your Legal department</li> </ol> </li> </ol>
System Owners or Program Managers	<ol style="list-style-type: none"> <li>1. Work with Privacy Professional to document data transfer requirements</li> <li>2. Identify systems associated with files being considered for matching programs</li> </ol>
Legal	<ol style="list-style-type: none"> <li>1. Support CMA development efforts, as appropriate</li> <li>2. If a Shared Service Provider (SSP), determine who maintains the records (SSP or their customers)? Whose SORs (SSP or their customers) are aligned to the records?               <ol style="list-style-type: none"> <li>a) If their customer, determine if existing Reimbursable Service Agreement sufficiently covers records disclosure in order to perform matching to Treasury's Working System with their customers' data?</li> <li>b) If SSP, confirm Privacy Act responsibilities have been sufficiently delegated.</li> </ol> </li> </ol>

# Roles & Responsibilities – DNP

Role	Responsibility
Relationship Managers	<ol style="list-style-type: none"> <li>1. Identify CMA candidates of existing batch and ConMon users</li> <li>2. Direct questions on CMA template to DNP</li> <li>3. Increase awareness of potential benefits of matching against private data sources</li> <li>4. Maintain current onboarding documentation that reflects CMAs in effect</li> </ol>
DNP Senior Privacy Analyst	<ol style="list-style-type: none"> <li>1. Shepherd CMAs thru Treasury's DIB review process</li> <li>2. Work with recipient agencies to populate CMA template</li> <li>3. Brief recipient agency DIBs on specific requirements of DNP CMAs, as requested</li> </ol>
DNP Legal	<ol style="list-style-type: none"> <li>1. Put MOUs in place for remaining private data sources of Treasury's Working System</li> <li>2. Confirm that access is authorized to match against data sources cited in CMAs</li> <li>3. Continue reviewing and approving onboarding documentation (e.g., legal questionnaire)</li> </ol>

# Roles & Responsibilities – DIBs

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- OMB M-13-20 specific requirements:

Topic	Excerpt
Question Period	If DIBs have questions about a CMA that has been submitted for review and approval, those questions shall be submitted to agency officials by day 30 of the 60-day period, if possible. Agency officials shall answer any questions from DIBs in a timely manner.
Decisional Documentation	When making a determination, DIBs shall document in writing their reasons for approving or disapproving a matching program. This documentation shall be provided to the appropriate agency officials.