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U.S. DEPARTMENT OF THE TREASURY

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

Gerard Duffey, William Phillips, Brian Pichler

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Agenda

- Philadelphia Financial Center Post Payment Core Competencies
- Post Payment System Objectives
- Delivery of Value from PPS
- Release 1.0 Case Study
- PPS Interface Files and Portal
- Existing Implementation Plan
- Release 4.0 and 5.0 Storyboards
- Next Steps
- Contact Information

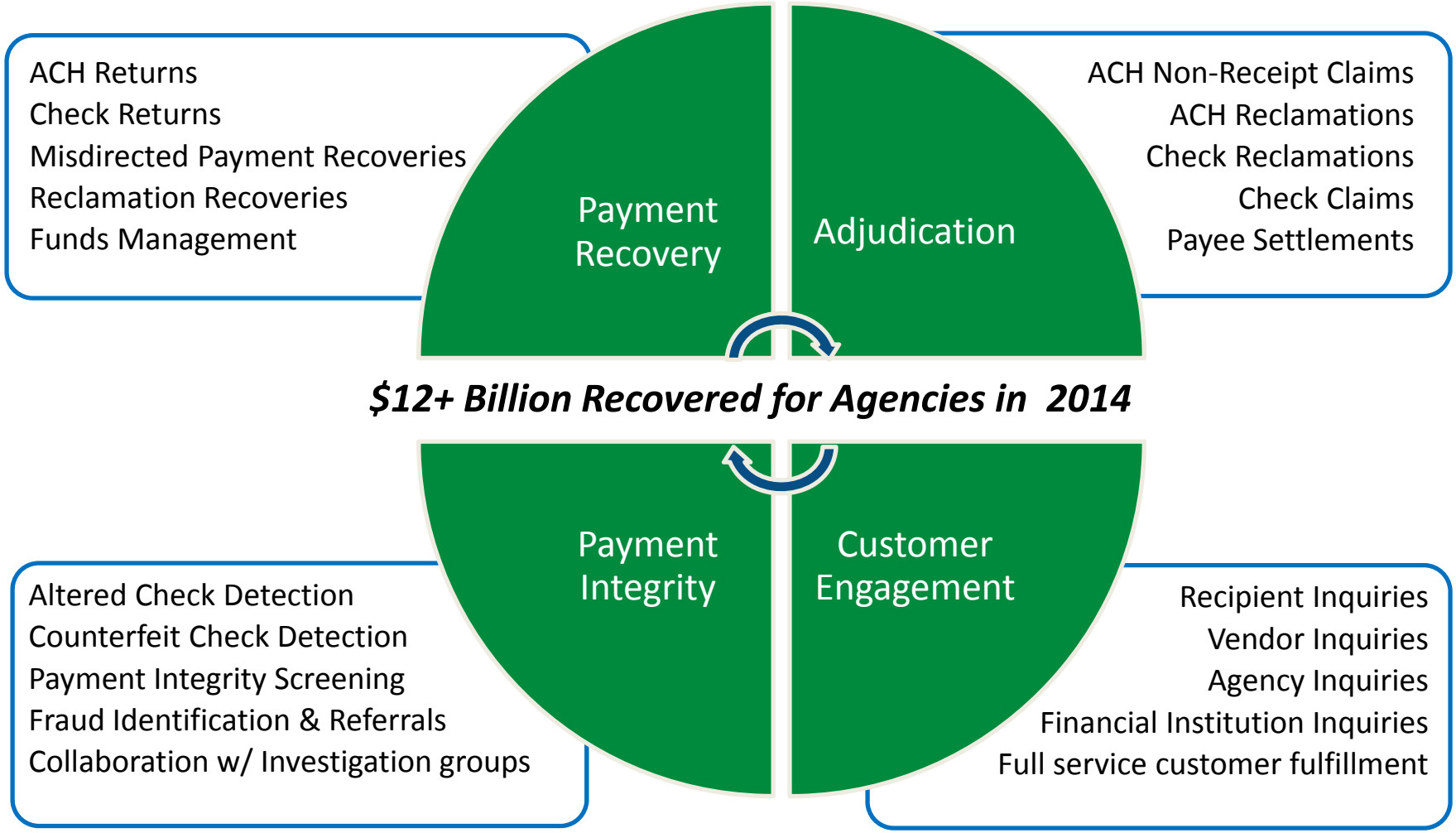
Post Payment Core Competencies

The Fiscal Service in Philadelphia is responsible for managing all aftermath actions and accounting activities associated with payment issuance, misdirected payments, & fiduciary integrity.

Post Payment Functional Competencies & Capabilities include:

- Payment Matching and Verification
- Payment Integrity Assurance and Offset Facilitation
- Returns and Cancellations
- Funds Receipt / Funds Management
- Inquiries, Calls, and Claims
- Research and Reclamations
- Fraud Detection and Integrity Analysis
- Reconciliation and Bookkeeping
- Reporting and Business Analytics
- Customer Service / Engagement / Fulfillment

Post Payment Core Competencies



Post Payment Services Contact Information

- **Primary Contact**
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  - Supervisor
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  - Email: Leonard.Watley@fiscal.treasury.gov

- **Secondary Contact**
  - Gary Swasey
  - Manager, Customer Service Branch
  - Phone: 215-516-8145
  - Email: Gary.Swasey@fiscal.treasury.gov

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.

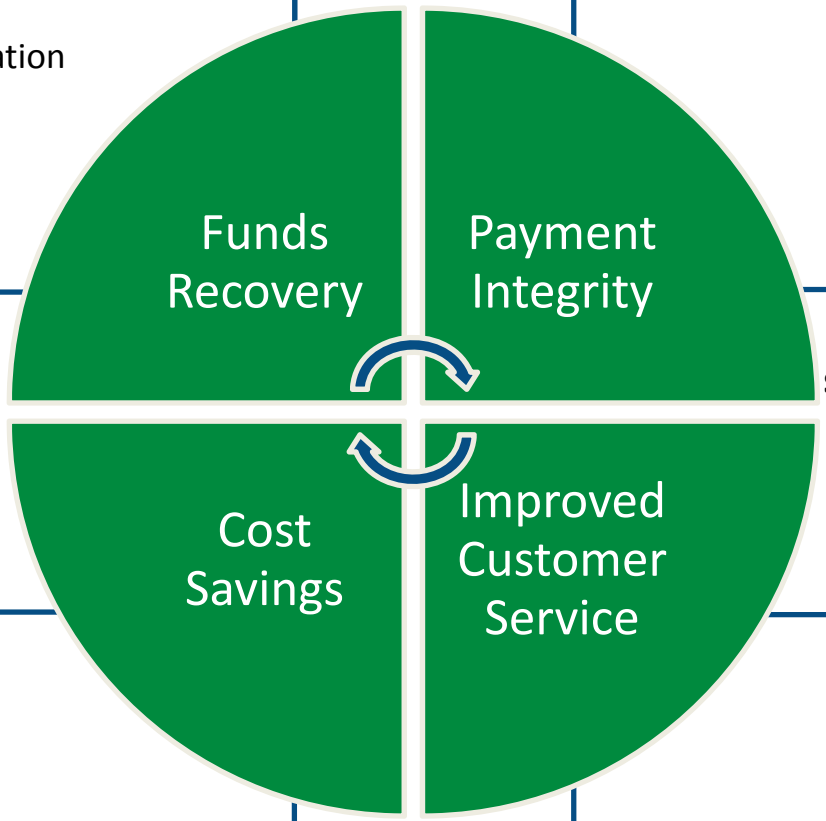
Delivery of Value from PPS

Returns
Cancellations
Payment Matching & Verification
Reclamation & Claims
Inquiries & Calls
Offset Integration

$12+ Billion/year

Data Objects
Fraud Detection
Adjudication
Deterrence
Data Utilization / Analysis
Research & Partnerships

Additional $1M/ in suspect detections enabled in Release 1.0



$ 6+ Million/year

Legacy Decommission
Process Improvements
Productivity Gains
Ad-Hoc Queries
Infrastructure/Architecture Modernization
Cross-Government View

$ Priceless

Auditability
Customer Portal
Engagement Center
Funds Accounting
External Reporting
Training & References

PPS Release 1.0 Case Study

Miami Vice

Sequence of Events:

- Detect: Leveraging legacy ACH non-receipt claims, PFC identified a small sampling of addresses to be tested as part of the "suspect" list
- Adjudicate: PPS Pilot was leveraged to identify payments going to those potentially suspicious mailing addresses one address was particularly interesting
- Deter:

  Built package of data – identifying:
  - Payment Information
  - Payee Information
- Result:

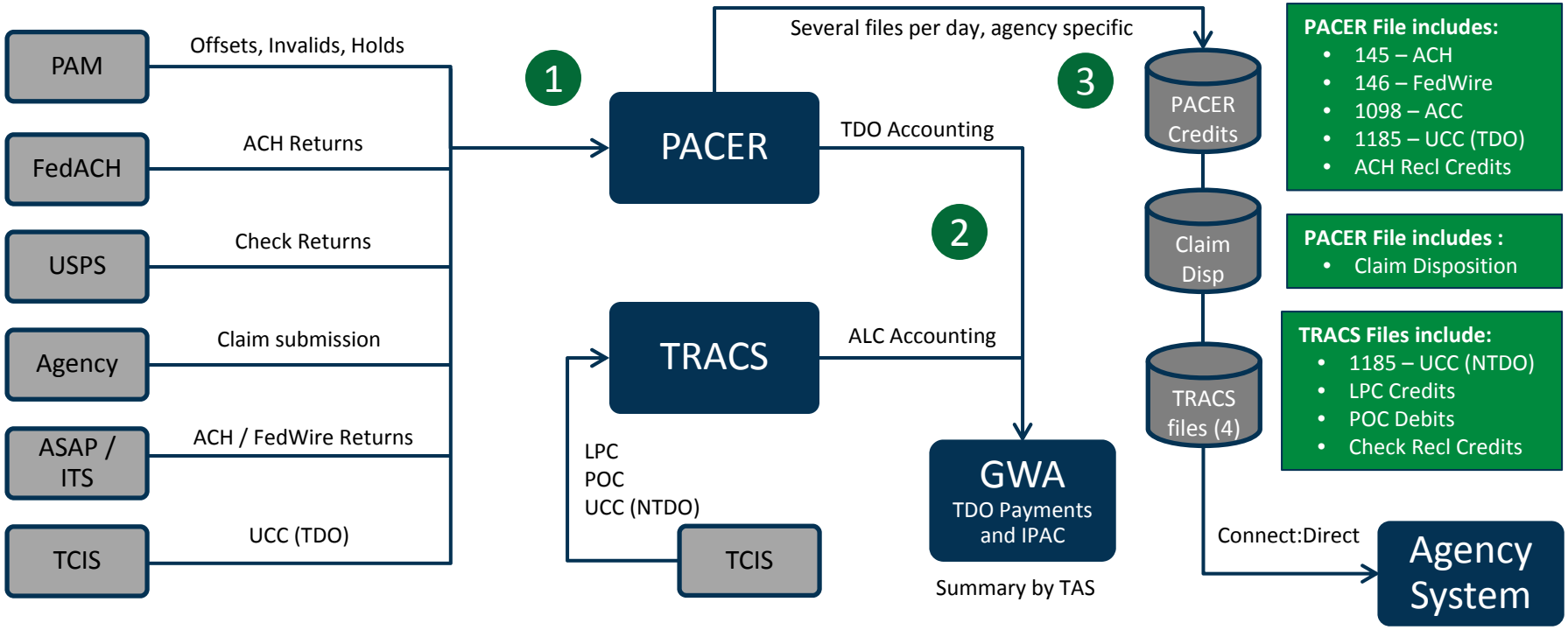
  Agency confirmed that PFC had detected $32k+ in ID theft

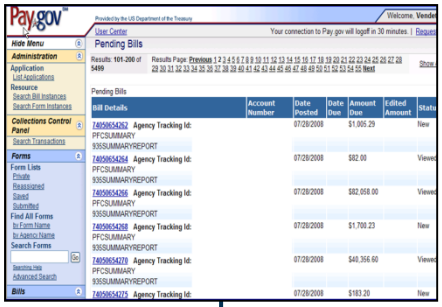
Result of PPS Pilot Research:

PPS Pilot detected 15 suspicious payments, valued at $32k+ that were to this address 2011-2014. **All confirmed by agency to be identity theft.**

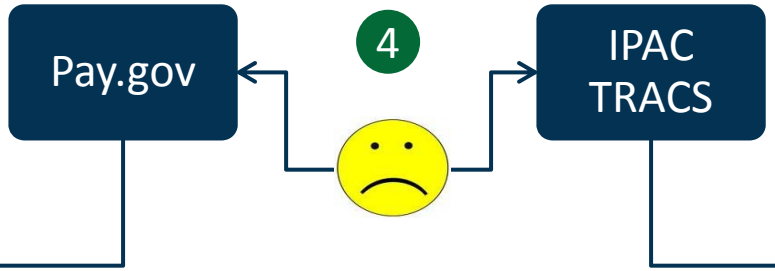
Interface Files and the PPS Portal: A Preview

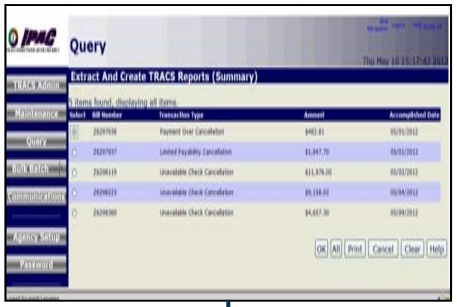
Legacy Agency Interfaces





Agency users view summary reports via Pay.gov for some, IPAC for others





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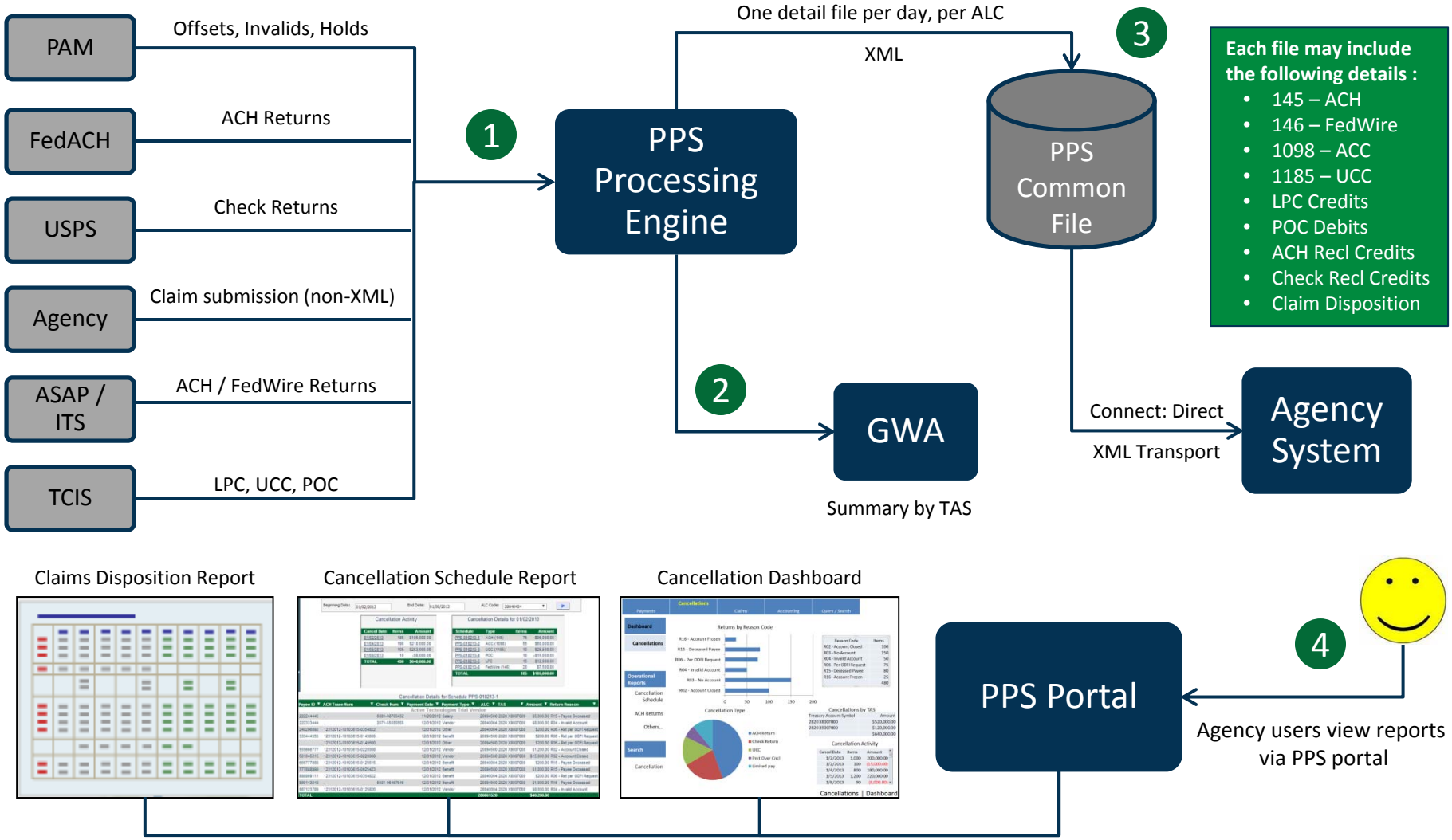
PPS Common File End State Vision



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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 Rang

Check Number: _____ - _____

or

ACH Trace Number: _____

or

FedWire IMAD: _____

or

Payee ID: _____

Payment Date From: _____ To: _____

or

Bank RTN and Account Number: 323070380 123456789

or

Payment Amount: _____

Payment Date From: _____ To: _____

Submit | Reset

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

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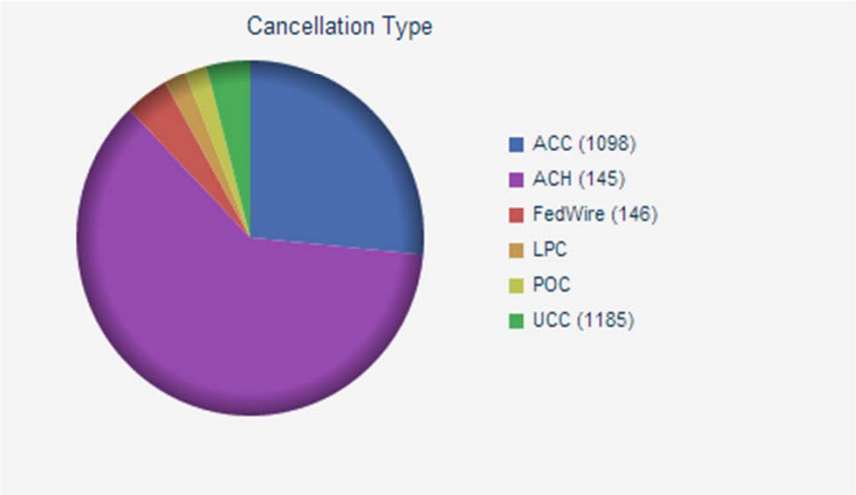
Dashboard | Operation Reports | Query / Search | New Tab

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 Reuqest	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

Home | Payments | Cancellations | Claims | Accounting | Query / Search | Ad Hoc

Dashboard | Operation Reports | Query / Search | New Tab

Cancellation Schedule

Beginning Date: 01/02/2013 End Date: 01/08/2013 ALC Code: 28048404

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

Active Technologies Trial Version

Payee ID	ACH Trace Num	Check Num	Payment Date	Payment Type	ALC	TAS	Amount	Return Reason
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

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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

Payee

Claims Summary

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

Returns Summary

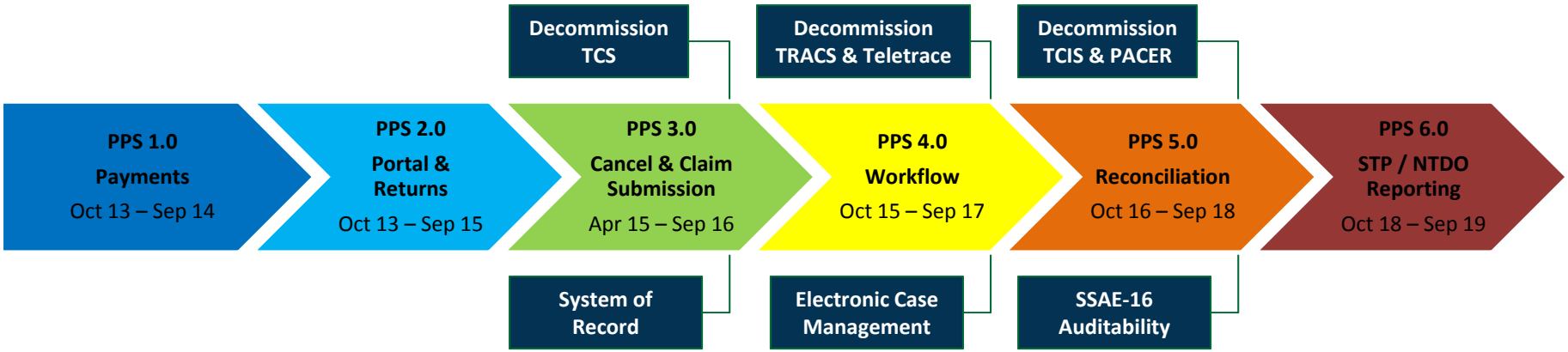
Claim Date	Return Reason
07/29/2013	R06

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?

PPS Implementation Plan

Implementation Approach



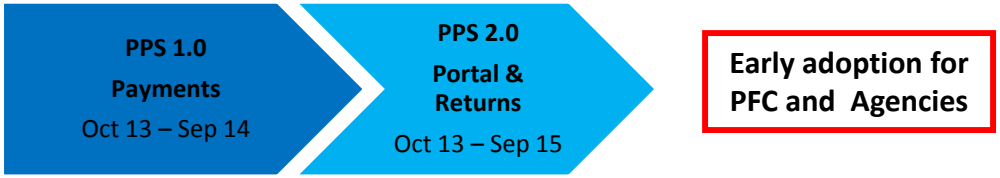
One major release per year allows for:

- 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

Implementation Approach



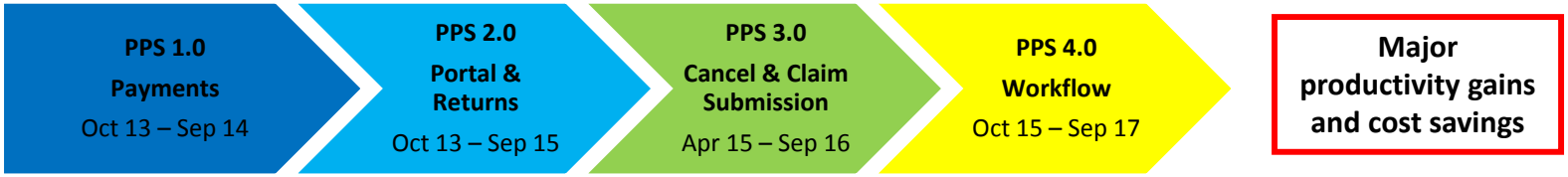
Business Processes
Portal • **Enhanced search capability** • Begin transition TCIS users to PPS • Search for Payment and Payee information
Process Check Returns • Scan returned checks and correspondence at PFC • Link images with check number and cancellation schedule via Portal • Reconcile cancellation info with scanned images • **Cost savings for PFC and agencies**
Expose ENRs and NOCs • Incorporate automated enrollment (ENR) data stream for fraud detection and payment integrity into daily operations • **Enables recovery of funds for SSA due to fraudulent enrollments**

Implementation Approach

Business Processes
Cancellations • **Cancellation Credits through a single GWA channel (TDO Payments) including:** - ACH/Check Returns, Offsets, Invalids, UCC, LPC, and POC transactions processed by PPS • Standardized detail file to agencies via PPS "Common File" • Online reconciliation via PPS portal • **Transition functions from PACER and TRACS**
Claim Submission • Standard claim submission and disposition files • Same day response to agencies • Decommission TCS
Accounting • Utilize new accounting model for payments and cancellation transactions

Requires detailed end-to-end testing with agencies and downstream / feeder systems

Implementation Approach



Business Processes
ACH Claims and Reclamations • **Case assignment and workflow for FIs and Agencies** • Eliminate 1.5 million pages of paper each year • Use Fed Reserve Account debits instead of checks **(Improve cash management for agencies**) • Decommission Teletrace
Check Claims and Reclamations • Case assignment and workflow for FIs and Agencies • Simplified check claims process • **Decommission TRACS**, transition most PACER functions
Customer Engagement Center • Integrated Call Center framework with online chat and messaging capability • **Improved customer service and communication**

Significant improvements to information exchange between agencies, Fiscal Service, and Financial Institutions.

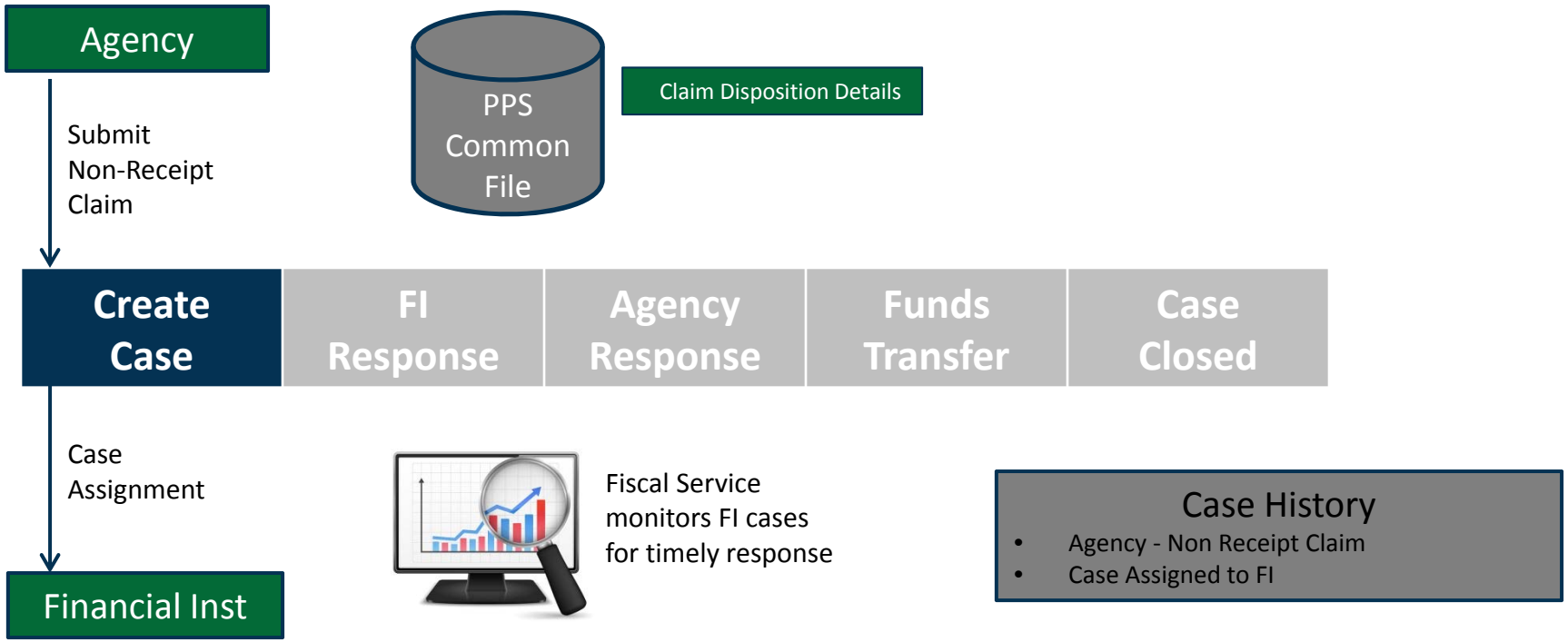
PPS Release 4.0 and 5.0 Storyboards…How the system will work

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

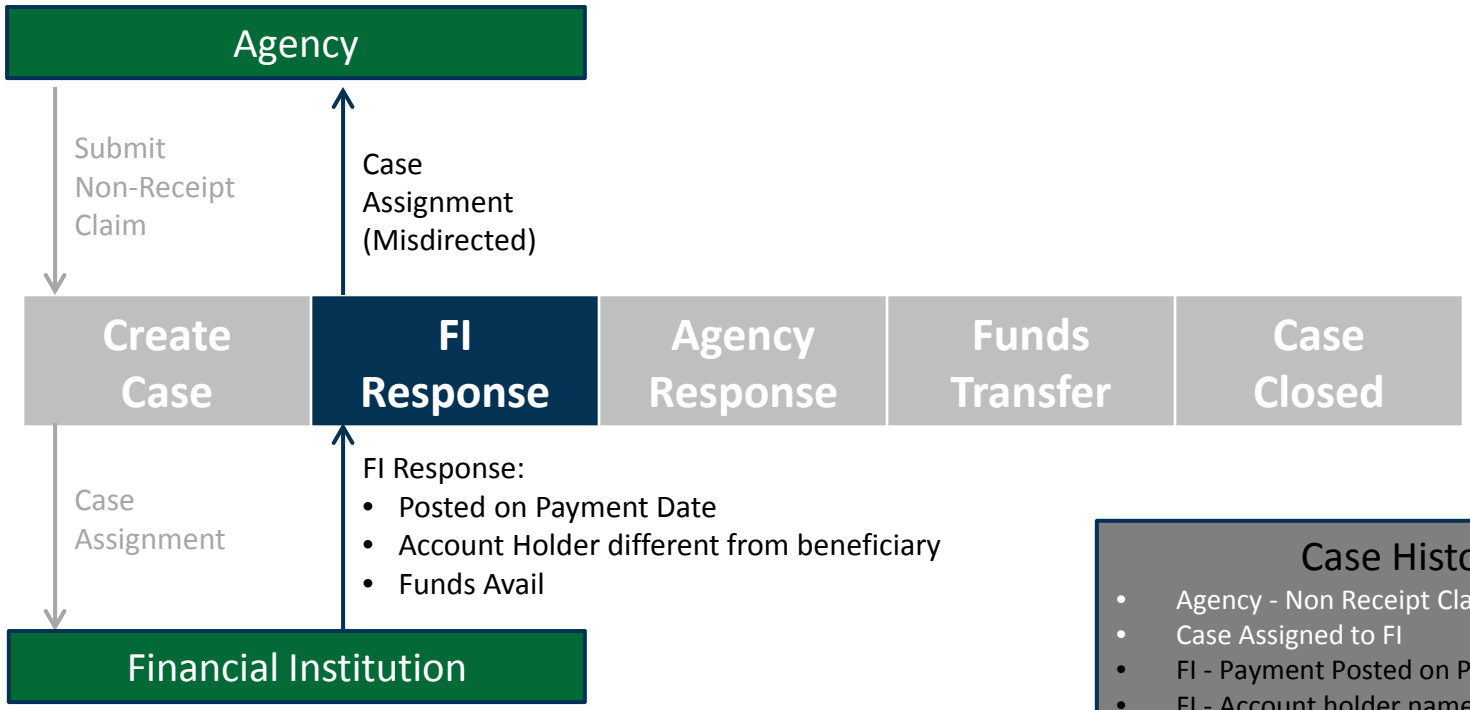
Highlight:
- Case Assignments and Alerts
- Recovery Request
- Online reports

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

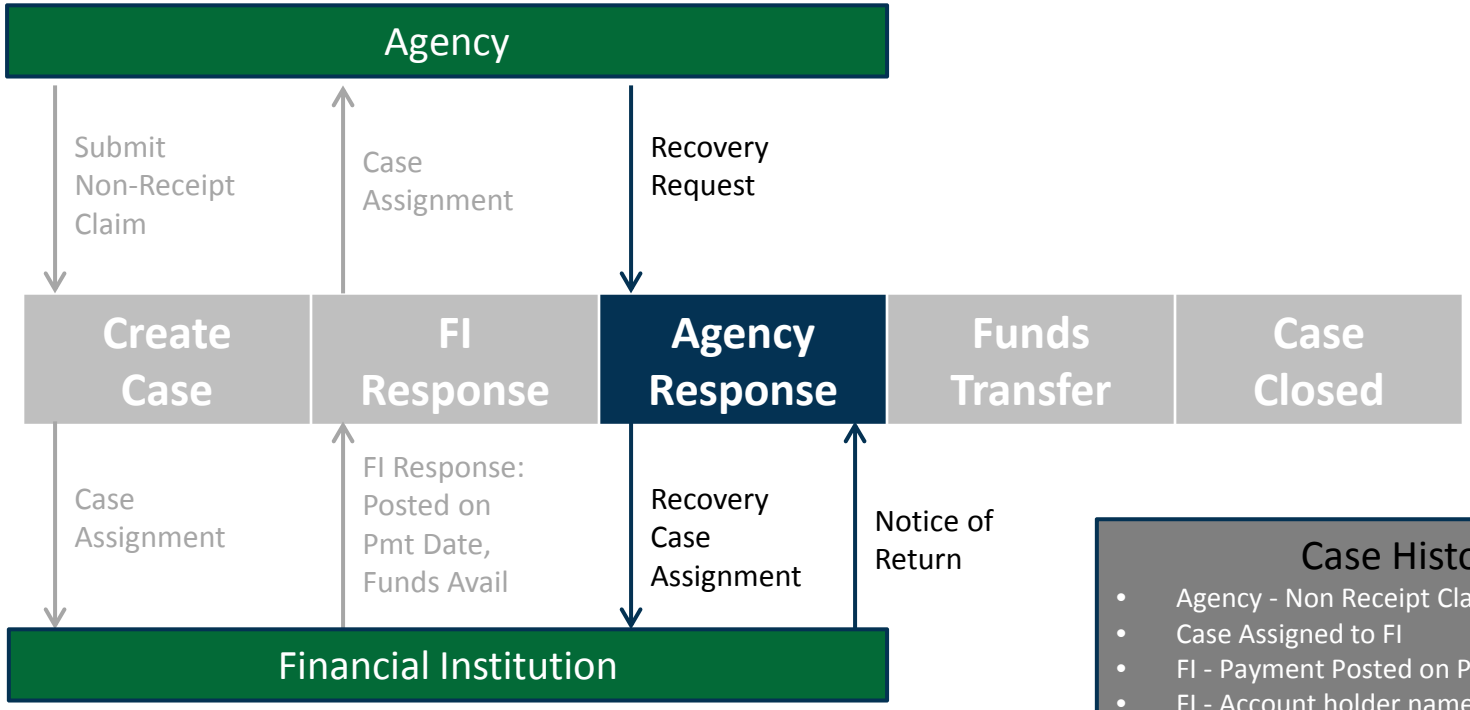


Case History

- 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

- 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

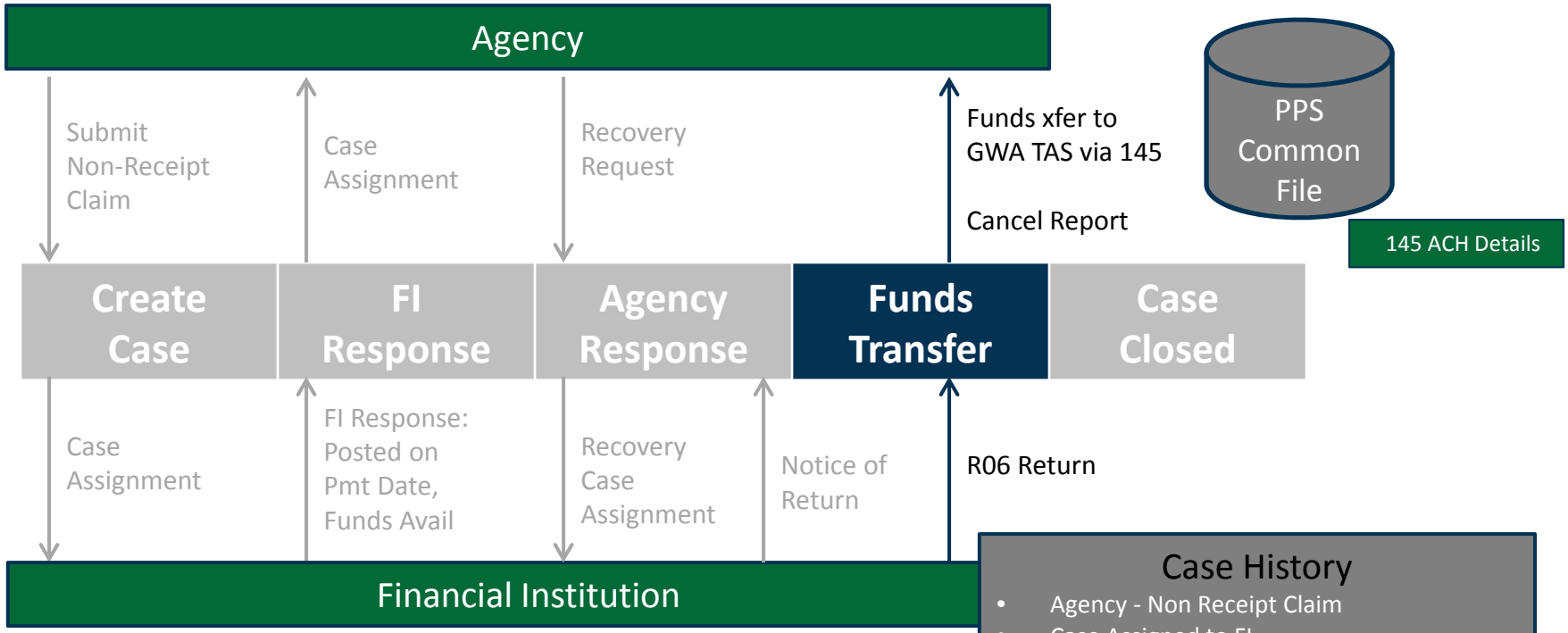


Case History

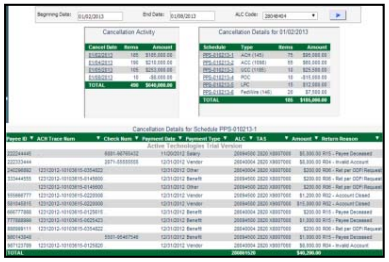
- Agency - Non Receipt Claim
- Case Assigned to FI
- FI - Payment Posted on Payment Date
- FI - Account holder name different
- FI - Funds available
- Case Assigned to Agency
- Agency - Recovery Request
- Case Assigned to FI
- FI - Notice of Return

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

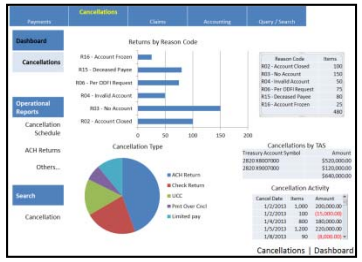
PPS Storyboard – ACH Non-Receipt



Cancellation Schedule Report



Dashboard



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)

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

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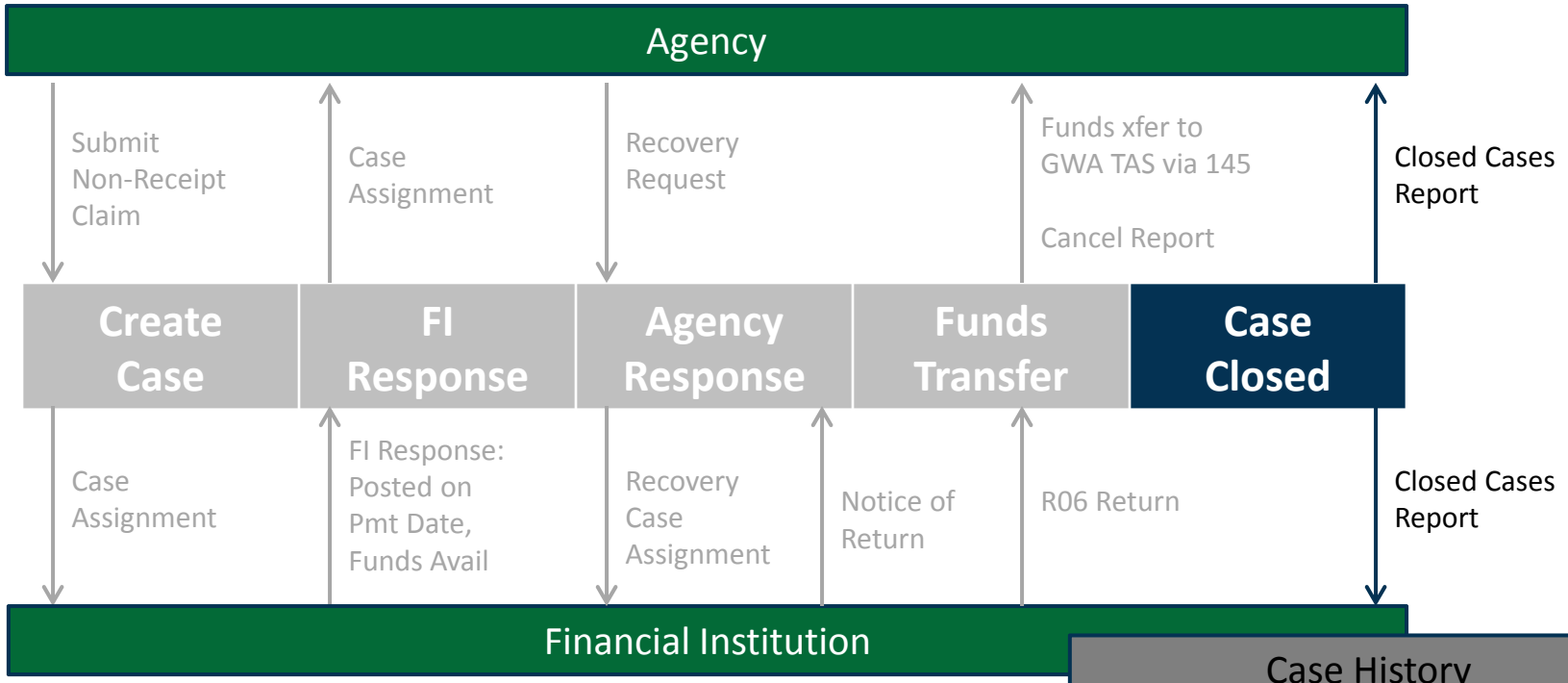
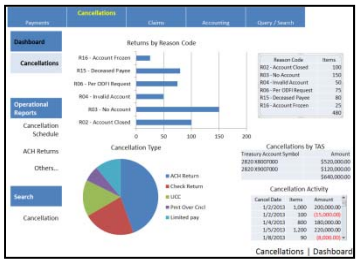
PPS Storyboard – ACH Non-Receipt



Dashboard



Claims Cases Report

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

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Implementation Approach

Business Processes
Check Reconciliation • Workflow for check reconciliation and adjustments • Accounting for Public Monies Accounts • Integrated case management for all post payment activities • **Decommission TCIS and PACER**
Research and Analysis • Self service analysis tools for PFC and investigative users to manage the fraud detection, research, adjudication, and prosecution life cycle (integrated with PFC operations) • Performance Measurement for fraud recovery

Complete transfer of functions from legacy systems

Next Steps

- Ensure your agency is informed:
  - Encourage colleagues to attend an Introductory Session webinar
  - 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://fiscal.treasury.gov/fstraining/training/fs_trainingopportunities.htm

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