

Payment Integrity Journal



CONTENTS

- | | |
|--|---|
| 2 Director's Corner | 5 Introducing, New Outreach Editor |
| 3 Department of the Interior Engagement Leads to Interest in OPI Services | 6 OPI Explores Additional Data Sources to Tackle Improper Payments |
| 3 Chief Financial Officers Council's Knowledge Sharing and Best Practices | 7 Screening Multiple Records Against DNP Portal Data Sources |
| 3 PRAC Report on Analytics Project with DNP | 8 Resource Library |
| 4 Payment Integrity Tools in Action: FEMA Use Case | 9 Announcements and Survey |
| 5 The IRS & OPI Meet in Philadelphia | |

Director's Corner



TAMMIE JOHNSON

Acting Manager, DNP Outreach
and Business Processes

Hello, I'm Tammie Johnson, Acting Manager, Do Not Pay Outreach and Business Processes. Our director, Sarah Stricevic, generously offered this space to me to introduce myself. I have worked in the federal government for almost 37 years, and I have seen a lot of change. A few years ago, I worked with the Veterans Affairs to Seek to Prevent (STOP) Fraud, Waste, and Abuse on a series of projects to strengthen their payment integrity programs. I also led the development of the *Antifraud Playbook* (see *Playbook tips on right*) for the federal government, co-issued by Fiscal Service and the CFO Council. This work gave me a passion for payment integrity.

We (the leaders of agencies, program managers, risk management personnel and caseworkers, Fiscal's Office of

Payment Integrity, Office of Management and Budget, and the oversight community) – really everyone – have a responsibility to identify, prevent and recover improper payments. I believe that we are better together when tackling these complex payment issues.

In the last two issues of the *Payment Integrity Journal*, we described the Office of Payment Integrity (OPI), which combines Do Not Pay (DNP) and the Payment Integrity Center of Excellence (PICOE), to provide federal agencies and federally funded, state-administered programs the tools they need to determine eligibility and prevent improper payments. The *Payment Integrity Journal* will continue to provide information and resources on our services and how they are being used across the government. In this issue, you will see an article highlighting the Chief Financial Officers Council's Knowledge Sharing Library (see *link and article on p. 3*), learn how to screen multiple payments in the DNP Portal (see *Screening Multiple Records Against DNP Portal Data Sources on p. 7*), and more.

Check out our Announcements (see *p. 9*) to see where we and others will be speaking about payment integrity. I encourage you to share this Journal with others within and outside your organization. Share your successes as they can help others. Let us know if you have needs or challenges you want to discuss or ideas of what can be done to improve payment integrity. We look forward to hearing from you.

Tips from the *Antifraud Playbook* that can be applied to preventing improper payments:

- Improper Payments is not a four-letter word! Discuss your identified improper payments and risks so you can address them.
- When you are thinking about your risks, "think like a fraudster."
- Take advantage of resources available to you. OPI is here to support you throughout the payment lifecycle.
- Build on what you already have and what others have done. Don't reinvent the wheel, just adjust as needed.
- If you see something...say something...do something!
- No program is perfect. You can (and should) make continuous improvements.

Chief Financial Officers Council's Knowledge Sharing and Best Practices

Did you know that the Chief Financial Officers Council has a [Knowledge Sharing library](#), covering a broad range of topics, training modules, videos, and more?

This includes a payment integrity library where your agency can access articles on best practices for the quest of mitigating risk in payment integrity.

We encourage you to check it out and use this information as another tool to assist you in meeting your payment integrity needs.

If you have resources that you would like to share with the payment integrity community, please contact us at: OPI.Outreach@fiscal.treasury.gov.



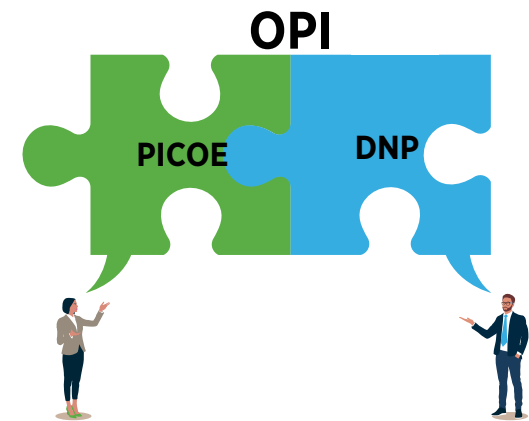
Department of the Interior Engagement Leads to Interest in OPI Services

In February 2023, the Office of Payment Integrity (OPI) presented at the Department of the Interior's (DOI) Financial Management Workshop. The Workshop provided an opportunity for internal employees from various divisions to learn and share information about functions related to financial data and data integrity, reporting, financial strategic planning and systems, and more.

The first topic was centered around the upcoming merger of the Payment Integrity Center of Excellence (PICOE) and Do Not Pay (DNP) into the Office of Payment Integrity to maximize the customer experience. During the presentation, the speakers discussed OPI's ability to stop, prevent, and recover improper payments through the use of its cross-government data and supporting payment integrity tools. OPI also reviewed their investigative solutions and proactive fraud pipeline, and presented the process for how customers typically engage with OPI.

There were 173 individuals in attendance and OPI received many glowing remarks about the presentation and the breadth of our services.

DOI's Accounting Operations Services Division within their Financial Management Directorate reached out requesting information on how to get started using the Account Verification Service (AVS). As a result, OPI provided a separate overview with the Division, and they expressed interest in moving forward with acquiring AVS.



PRAC Report on Analytics Project with DNP

The Pandemic Response Accountability Committee (PRAC) recently released a report highlighting the success of an analytics project with DNP. This report discusses a partnership between both organizations where DNP provided the PRAC with valuable death information to assist them in their review of pandemic loans. The PRAC used the information from DNP in their analysis to uncover \$38M in potentially fraudulent loans or improper payments. You can learn more about this analytics project by [reading the published report](#).

Payment Integrity Tools in Action: FEMA Use Case

Fiscal Service is uniquely positioned to leverage its tools on behalf of government agencies for the prevention of improper payments (*see shaded box on the right for more information about the tools*).

Through their Individual Household Program (IHP), the Federal Emergency Management Agency (FEMA) has used AVS and Cross-Government Data to support applicant identity/eligibility determinations and expedite critical needs assistance to individuals and households displaced from their primary residence as a result of a disaster.

In FY 2022, the Office of Payment Integrity (OPI) provided continued support to victims through FEMA by matching applicants for New Mexico wildfire relief. There were 1.39M applicants screened, 68.8K were identified as risky, and **\$28.6M in improper payments prevented**.

FEMA is also using AVS, EVVE-FOD, and Cross-Government Data Analytics to support applicant and decedent identity and eligibility determinations for its COVID-19 Funeral Assistance Program. FEMA has expressed that they are highly pleased with the results we have delivered and continue to deliver.

Through FEMA's use of our services, in FY 2022:



297K applicants were screened.



7.6K at-risk applicants were identified.



\$44.4M in improper payments were prevented.

Account Verification Service (AVS)

provides fraud prevention solutions by validating payee account ownership, account status and providing analytical fraud risk determinations. This tool is implemented during the prepayment phase to alert agencies and prevent the improper payments from being disbursed.

Cross-Government Data

enables us to mitigate improper payments by examining whether an account has been closed, if an individual is deceased, if fraud or administrative errors are identified in our interactions with financial institutions, and more. This gives us unique insight into payees that other agencies may not have. Also, we collect information once a payment has been submitted as well as gather data during the post-payment phase (e.g., Social Security number, name, address, bank account, account owner name, last withdrawer, or other information obtained from the financial institution). As a result of using our Cross-Government Data, we've prevented \$86.3M in improper payments from CY 2021-2022.

Electronic Verification of Vital Events Fact of Death (EVVE-FOD)

provides validation from an authoritative source that a death has occurred, and it validates death information such as date and location. We use this throughout the payment lifecycle on an ongoing basis when stakeholders identify a death has occurred.

INTRODUCING

Amina Kopic-Osmanovic New Outreach Editor

Amina joined the DNP team this February as an Outreach Editor and Senior Analyst. Her role includes creating and editing various DNP communications and materials to aid DNP users in preventing improper payments.

Prior to joining the Federal Reserve Bank DNP Outreach team, Amina worked in the manufacturing industry as a creative marketing specialist at an engineering and machinery company. She was the head content creator and editor, helping to position the company as leaders in the hydraulic and servo-electric press industry.

Amina has extensive experience in tailoring communications towards different audiences through graphic design, video editing, and technical writing and editing. Amina holds two Bachelor of Arts degrees in Advertising and Marketing and Creative Writing from Webster University in St. Louis. She is a



well-traveled Bosnian-American who enjoys soaking up the sun and spends most of her time lost in a good book or writing a story.

The IRS and OPI Meet in Philadelphia

In 2022, the Office of Payment Integrity (OPI) began hosting Internal Revenue Service (IRS) Customer Feedback Sessions to gain feedback from agencies on their experience using our payment integrity services and to define ways in which it could be improved. The first two meetings occurred in March and April while the third and most recent meeting occurred on February 22-23, 2023, at the National Payment Integrity and Resolution Center in Philadelphia. There were approximately 40 people in attendance, 30 of whom attended in person and 10 who attended virtually.

The IRS is using OPI's Account Verification Service (AVS) and Cross-Government Data solutions (*see shaded box on p. 4 for information about these tools*) to support payee identity verification through its Taxpayer Protection Program, which strengthens the integrity of the tax system and serves the public interest by taking actions to identify, evaluate, and prevent the issuance of improper refunds.



There were 922K returns and \$2.9B that had been flagged for suspected identity theft which was verified and became eligible for expedited release to payees. IRS used AVS and Cross-Government Data to support payee identity verification for their Child Tax Credit Update Portal tool (commenced in July 2021). **There were 300K payees screened, 21K at-risk payees identified, and \$6M in potential improper payments prevented.**

In this most recent meeting, the IRS Return Integrity and Compliance Services, the IRS Research Analytics and Statistics, and OPI came together to discuss recommendations for the implementation of process improvements that aid in the prevention, recovery, and resolution of improper payments. The meeting proved fruitful and produced many actionable solutions that will further strengthen the partnership between OPI and the IRS, further reduce improper payments, and ultimately provide best practices for OPI's continued work with its many partners.

OPI Explores Additional Data Sources to Tackle Improper Payments

The Office of Payment Integrity (OPI) is taking steps to expand its analytics capabilities. OPI understands the importance of modernizing its services and developing new capabilities to address current payment integrity challenges. To do this, OPI is researching new capacities such as income and employment verification.

Income and employment verification has always been of particular interest to OPI. Many benefit programs have specific requirements related to job status and income levels that individuals must meet to participate in or be eligible for the government program or benefits.

Unfortunately, administrators of these programs are not always able to confirm that an individual meets the program requirements because they do not have access to necessary data sources to make these determinations. As a result, there are many programs filled with beneficiaries that are currently ineligible. OPI wants to help federal agencies and federally funded, state-administered programs by providing customers access to income and verification services to confirm the eligibility of program participants and determine an individual's right-sized benefit level.

Recently, OPI completed a pilot study on **The Work Number (TWN)**, an income and employment verification data source from Equifax. The purpose of this pilot was to understand the viability of this data source and its potential to help determine benefit eligibility or ineligibility. As part of this study, OPI partnered with a benefit program to analyze their beneficiaries using TWN data source to verify participant eligibility. The results of this analysis were promising. The data source confirmed the employment status of nearly two-thirds of the individuals screened. Additionally, TWN provided detailed information on individuals' incomes that could be used to ensure beneficiary eligibility.

While this study focused on a single program, the results suggest TWN has the potential to help improve eligibility determinations occurring in other benefit programs with similar requirements. OPI is currently in the process of gathering more information about the potential return on investment from this data source and determine whether to pursue designation for inclusion in the Treasury's Working System.

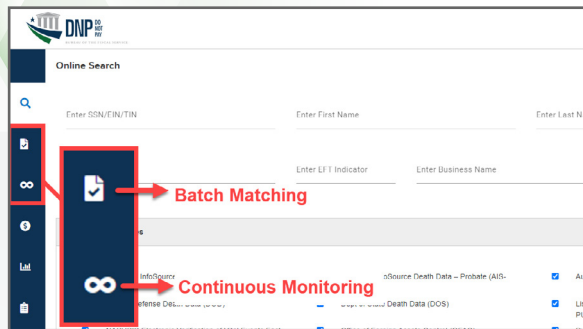
Overall, OPI is always looking to expand the types of services it provides to customers.

OPI sees the growing need for benefit programs to verify participants' income and employment and is taking steps to help customers address these types of benefit level and eligibility discrepancies. In addition to income and employment verification, OPI is continuing to research other new capacities to ensure that its payment integrity services are robust to meet the ever-changing improper payment challenges.

The screenshot displays a report titled "The Work Number Sample Social Service Verification" from Equifax. It includes a header with the Equifax logo and the report title. Below the header, there is a section for "Full Time Employee Verification Output" which contains a table with columns for "EMPLOYEE", "EMPLOYER", "EMPLOYMENT STATUS", "INCOME", and "WORK STATUS". The table lists several employees and their corresponding data. To the right of the table, there is a section for "ORDER DETAILS" which includes fields for "Requester", "Organization", "Address", "City/State/Zip", "Phone", and "Fax". Below this, there is a section for "Tracking Number" and "Order Type". The report also includes a "Consumer Employment & Income Report" section with a table of "ORDER DETAILS" and a "Summary" section at the bottom.

Screening Multiple Records Against DNP Portal Data Sources

Do Not Pay (DNP) offers a variety of methods to screen payee data for eligibility determination purposes within the DNP Portal. To help accommodate agencies with a high volume of payees, **DNP offers the ability to screen bulk record files against approved data sources.** Bulk record screening enables agencies to efficiently screen thousands, or even hundreds of thousands, of payees against data sources through automation. There are two types of bulk record files available for agencies to consider: 1) Batch Matching; and 2) Continuous Monitoring.



Both bulk record file functionalities offer significant benefits to a program's payment eligibility determination activities. These functionalities allow programs to send a file to the DNP Portal at

any time during the payment process, including on a pre-payment basis for eligibility verification. If desired, programs can even choose to send multiple files at various times in the pre-payment process to strengthen eligibility checks throughout the duration of the payment lifecycle. Also, once the agency establishes the file process, the file will automatically screen records against approved data sources and return match results directly within the Portal interface. Match results can also be exported in several formats for further research. Finally, bulk record file data transfers safely from the agency to DNP using a secure file transfer connection (e.g., SFTP, Treasury MOVEit tool).

There are notable differences between the two options; agencies should consider these and determine which one (or potentially both) would offer the desired result. A Batch Matching file contains payment-level data (including

payment amount) that matches only one time when the file transmits to the Portal. Implementing a Batch Matching process can help an agency perform a pre-payment eligibility verification prior to disbursing payments.

On the other hand, a Continuous Monitoring file contains payee-level data (no payment amount) and matches any time there is an updated file sent to the Portal, or a refreshed feed to any of the DNP data sources approved to match against. Implementing a Continuous Monitoring process can allow an agency to monitor any change in payee or applicant status when screened against DNP data sources on an ongoing basis.

If you are interested in learning more about establishing a bulk record file with the DNP Portal, please contact your Agency Lead and Agency Specialist for more details (*see Agency Contact List, p. 10*).

	Batch Matching	Continuous Monitoring
Payees vs. Payments	Contains payment-level data	Contains payee-level data
Frequency of Matching	At time of file submission	At time of file submission or when database is updated
Number of Active Files	Previous versions available in Portal	Only one current file available in Portal
Data Sources	Any approved source	Any approved source
Example of Agency Use	To verify eligibility of multiple applicants at a time, before loans are approved	To verify continued eligibility of vendors before creating new or renewing contracts

RESOURCE LIBRARY

More training and reference materials
can be found [here](#).



How to Log into
the Portal



DNP Fact Sheet



Death Data
Quick Reference Card



Using Batch Matching and
Continuous Monitoring



Introduction to API



Analytics Project
Implementation Guide



How to Online Search



Portal Onboarding
Guide



Payment Adjudication
Quick Reference Card

ANNOUNCEMENTS

- **June 2023:**
Portal adds 990-N (e-Postcard)
data source
- **July 11-12, 2023:**
[Fiscal Service Advisory Customer
Symposium: Customers First,
Charting the Course to Successful
Financial Services](#)
- **July 23-26, 2023:**
[AGA Professional Development
Training \(PDT\)](#)
- **August 14-15, 2023:**
[Fiscal Service Government
Financial Management
Conference \(GFMC\)](#)
- **August 30, 2023:**
Fiscal Service Payment Integrity
Day- Office of Payment Integrity
(more information will be posted)
- **September 19-20, 2023:**
[AGA Internal Controls and Fraud
Prevention](#)

WE WANT YOUR
FEEDBACK

Survey

Help us improve the Payment Integrity Journal by taking this short survey!

We want to make sure this publication is helpful in providing information to help you achieve your goal of identifying, preventing, detecting, and reducing improper payments.

Click [HERE](#).

