



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

# Do Not Pay Business Center

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March 2017

# Presentation Overview

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- Legislative History and Origin Story
- Authority to Begin Pilot Projects with States
- Do Not Pay Business Center Analytics Services
  - *What types of analytics are available for state pilot projects?*



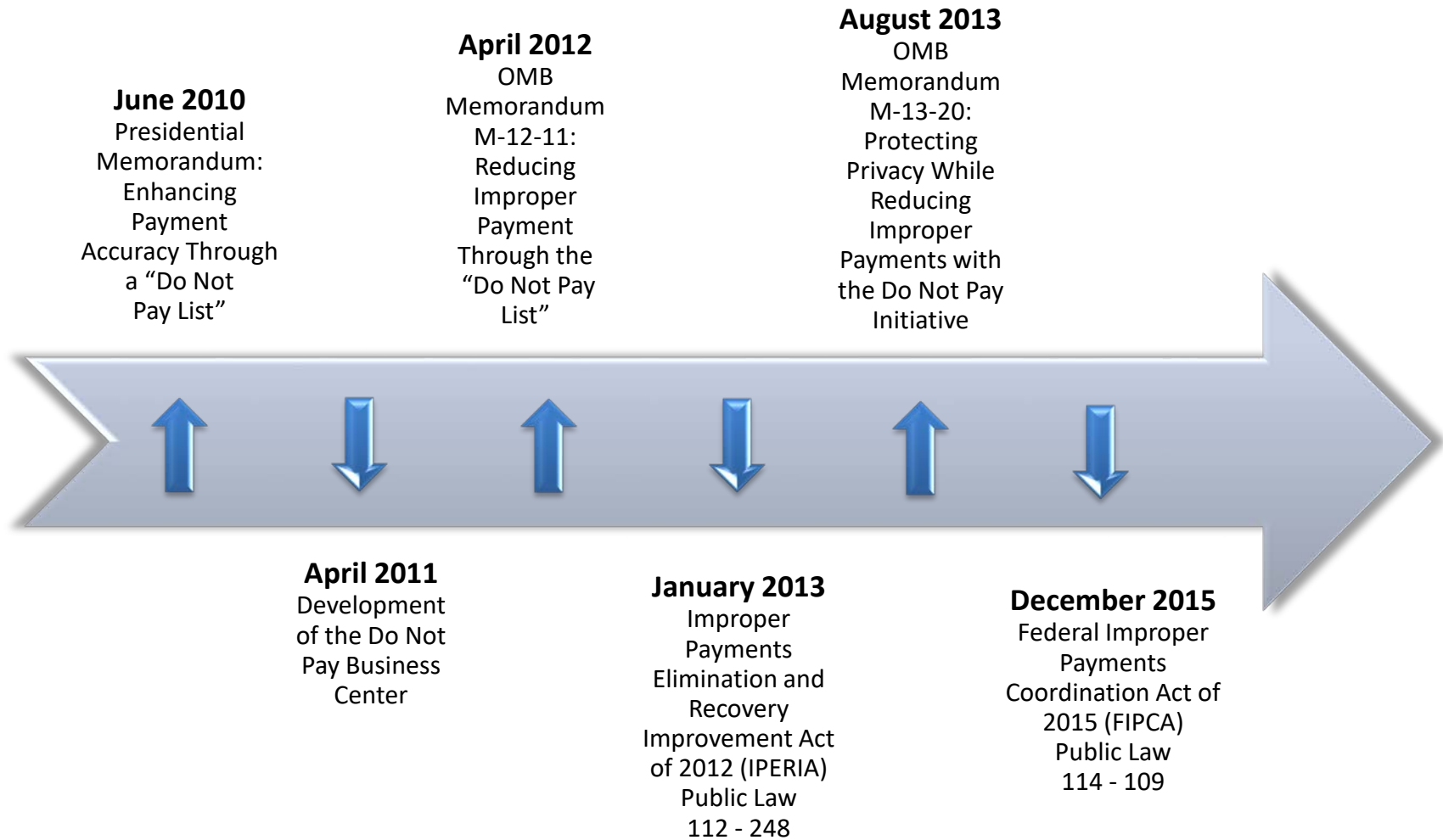
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**Do Not Pay Business Center:**  
*Legislative History and Origin Story*

# Do Not Pay Business Center History



# Improper Payments Elimination and Recovery Improvement Act of 2012 Creates the Do Not Pay Initiative

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- The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), codified Administration efforts first launched by the President in 2009, through Executive Order 13520, Reducing Improper Payments and Eliminating Waste in Federal Programs.
- Specifically IPERIA, Section 5(d) required the Office of Management and Budget (OMB) to implement a “Working System” to assist agencies in identifying and preventing improper payments.
- OMB designated the responsibility of creating this system to Treasury, and now Treasury’s Bureau of Fiscal Service operates the Do Not Pay Business Center (DNP) in partnership with OMB.
- The Treasury Working System and DNP are elements of OMB’s larger government-wide Do Not Pay Initiative.

# DNP Is Housed within the Bureau of Fiscal Service's Payment Integrity Program

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The mission of the Bureau is to promote the financial integrity and operational efficiency of the U.S. government through exceptional accounting, financing, collections, payments, and shared services.

The Bureau operates and maintains systems that are critical to the nation's financial infrastructure, such as the disbursement of payments to the American public, revenue and debt collection, and the borrowing of funds necessary to run the federal government.

# DNP Is Housed within the Bureau of Fiscal Service's Payment Integrity Program

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## ***Safeguarding the disbursement of federal payments.***

- As the government's disbursing officer, Fiscal Service has well established authorities regarding federal payments and occupies a unique position to protect the integrity of federal payments.
- Fiscal Service's Payment Integrity Program is comprised of a robust set of internal controls and data-centric electronic tests that are executed throughout the payment lifecycle.
- These controls and tests protect the integrity of federal payments by evaluating payee eligibility, ensuring accurate disbursement of payments, and using post-payment information to continually improve the payment process.
- In doing so, the Payment Integrity Program aids in the prevention, detection, and recovery of improper payments as well as payments affected by fraud, waste, and abuse.
- The Program also provides valuable data and insight to support federal agency management, law enforcement entities, and the oversight community to strengthen agency payment processes.



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Do Not Pay Business Center: *Authority  
to Begin Pilot Projects with States*



# Authority to Begin Piloting Analytics Projects with States

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- The Federal Improper Payments Coordination Act of 2015 (FIPCA) expanded the authority for additional “entities” to have access to, and use of, the Do Not Pay Initiative for the purpose of verifying payment or award eligibility for payments.
- “Entities” were defined as states and any contractor, subcontractor, or agent of a state, and the judicial and legislative branches of the United States.
- Director of the Office of Management and Budget must determine that the Do Not Pay Initiative is appropriately established for states
- Pilot projects between the Do Not Pay Business Center and states will assist OMB in making that determination.

# Do Not Pay Business Center Overview

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- The Do Not Pay Business Center (DNP) does not charge its customers for any services.
- Services are delivered through two interconnected business lines:
  - Portal: Online tool providing automated data matching against multiple data sources that have wide applicability for agency program eligibility.
  - Analytics: Conducts in-depth analyses of agency-specific business challenges related to improper payments. Tests analytics for adoption in the Portal.

# Pilot Projects with States

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- DNP is actively looking for state partners to pilot analytics projects in preparation for making all of its services available nationwide to states.
- State pilot projects will take place through Do Not Pay's Analytics Services.
- Potential pilot studies:
  - Data matching services to expand the use of data in eligibility decisions.
  - Expanding access to payment integrity controls and fraud risk detection.
  - Cross state analysis to identify individuals receiving benefits from more than one state.

# Portal: Data Sources Currently Available

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- **Credit Alert Verification Reporting System (CAIVRS) Restricted [SBA, VA, DoJ, HUD]**
  - Verify whether an individual is a delinquent federal borrower
- **Death Master File (DMF) Public [SSA]**
  - Verify whether an individual receiving payments is deceased
- **List of Excluded Individuals & Entities (LEIE) Public & Restricted [HHS]**
  - Verify whether payments are to entities excluded from participating in federal health care programs
- **Office of Foreign Assets Control (OFAC) Public [Treasury]**
  - Verify whether an individual or entity is prohibited from entering into financial transactions with U.S. financial institutions and the U.S. government
- **System for Award Management (SAM) Entity Registration Records, Restricted [GSA]**
  - Verify that a vendor seeking to do business with the federal government has registered, in accordance with the Federal Acquisitions Regulation (FAR)
- **SAM Exclusion Records Public & Restricted [GSA]**
  - Verify whether payments are to debarred individuals
- **Treasury Offset Program (TOP) Debt Check, Restricted [Treasury]**
  - Identify vendors that owe federal non-tax debt and ensure vendors that owe debts are paid via the Treasury Offset process



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## DNP Analytics Services:

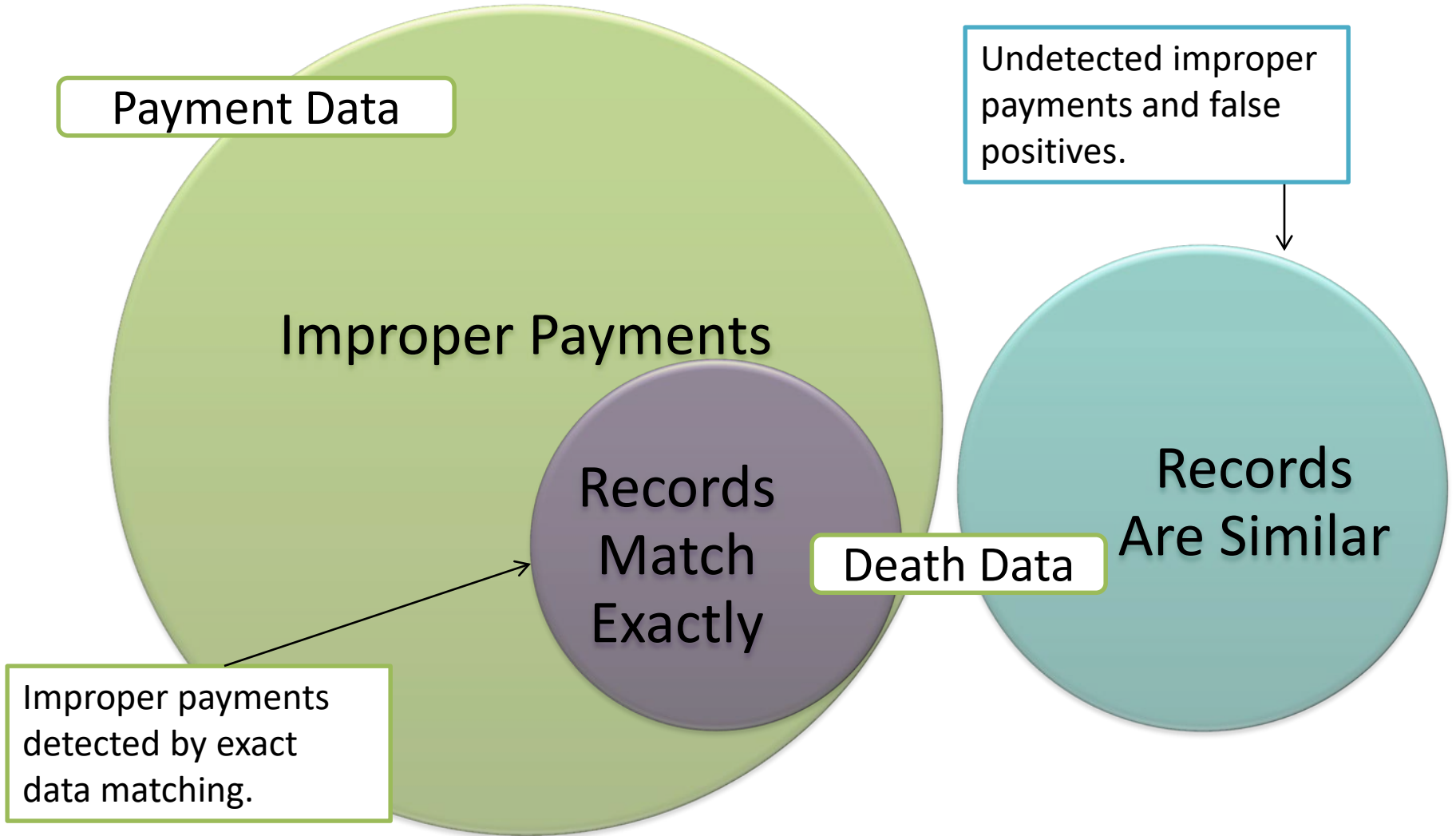
*What types of analytics are available for state pilot projects?*

# DNP Analytics Services

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- Testing Eligibility through Advanced Data Matching
- Using Risk Modeling to Prioritize Adjudication Resources
- Providing Payment Integrity Controls
- Detecting Cross Agency Overlap
- Identifying Fraud Risks

# Testing Eligibility through Advanced Data Matching



# Similarity Matching

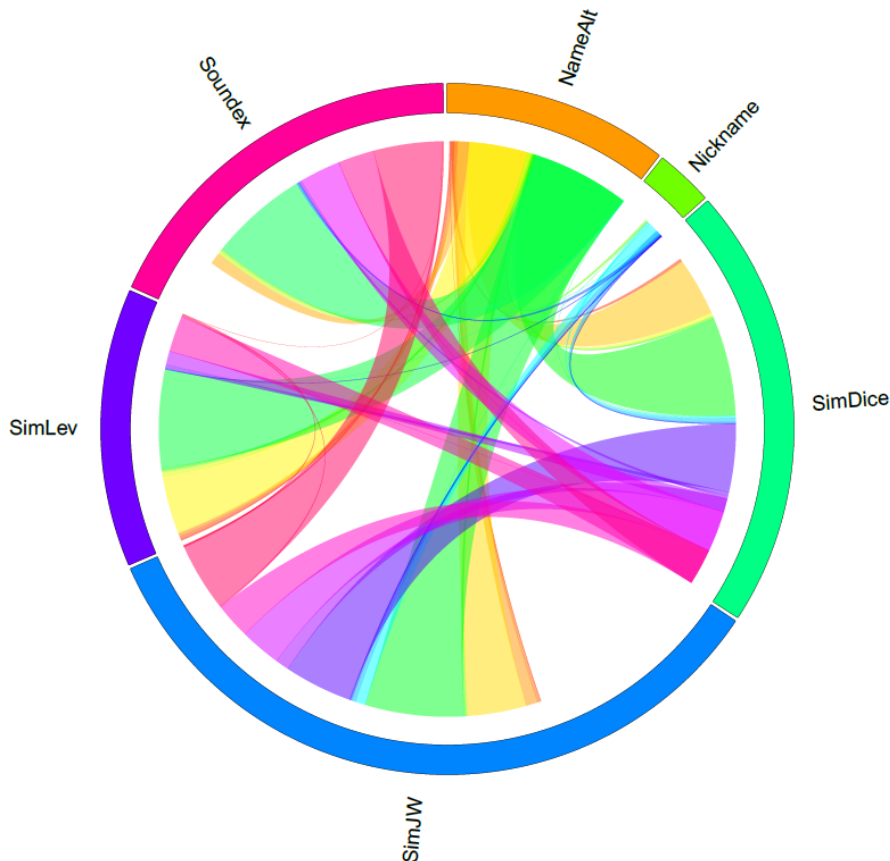
- Exact matching produces high precision matches, but leaves many unidentified improper payments.
- These records would not be detected:

Payment File		Death File	
TIN	Full Name	TIN	Full Name
123 <b>45</b> 6789	Joah Iannotta	123 <b>54</b> 6789	Joah Iannotta
234567890	<b>Joah</b> G Iannotta	234567890	<b>Joan</b> G Iannotta
345678901	<b>Joah</b> Iannotta	345678901	Iannotta <b>Joah</b>



# Similarity Matching

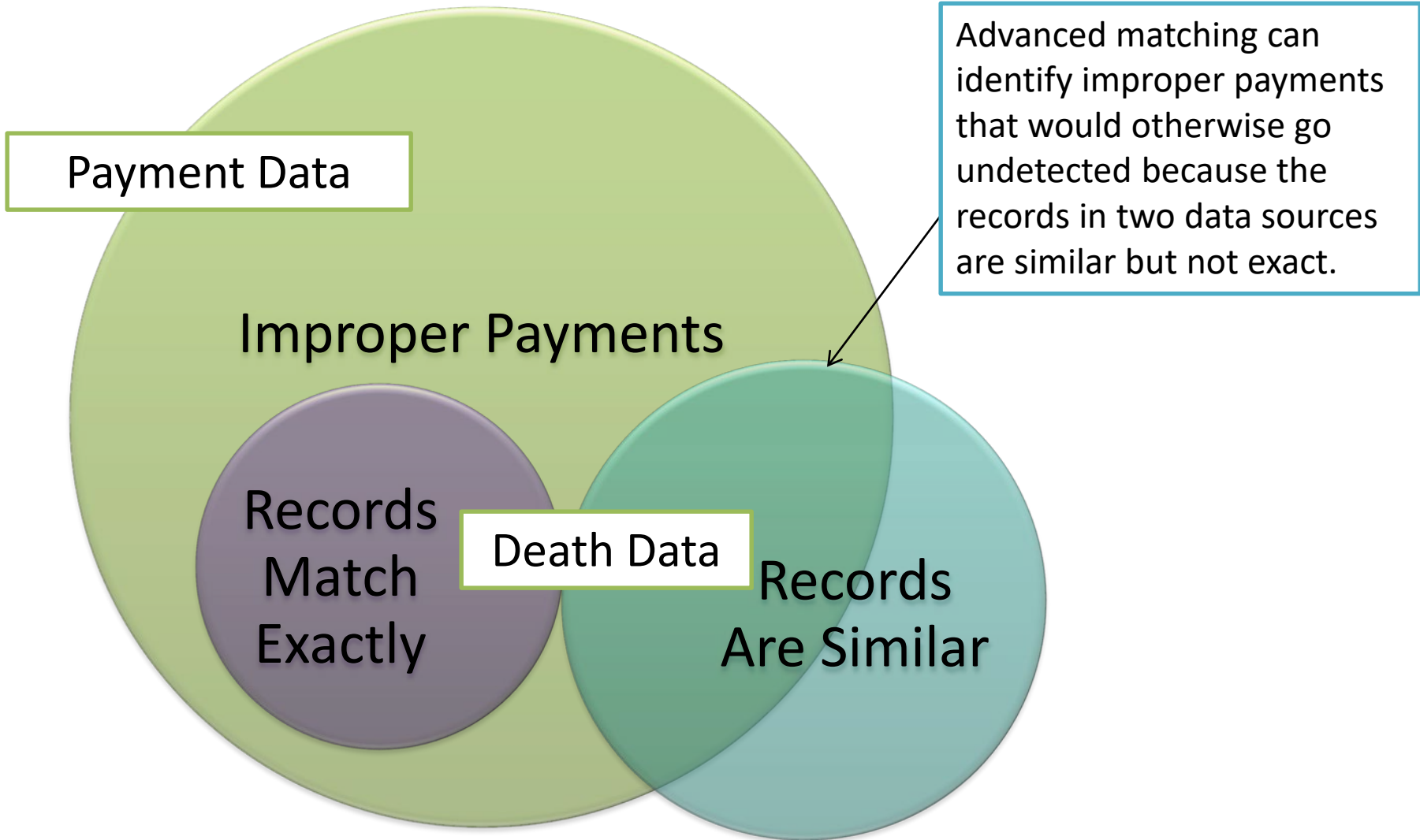
Overlap of Matches Captured by Different Match Methods



## Benefit of Similarity Matching :

Identifying and stopping improper payments to individuals or entities who by accident or intention are receiving payments for which they are not eligible.

# Testing Eligibility through Advanced Data Matching



# Advanced Matching Can Detect Dual Beneficiaries

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- If we were to partner with two or more states to look for dual beneficiaries, advanced matching could help to identify individuals who were receiving benefits from more than one state.

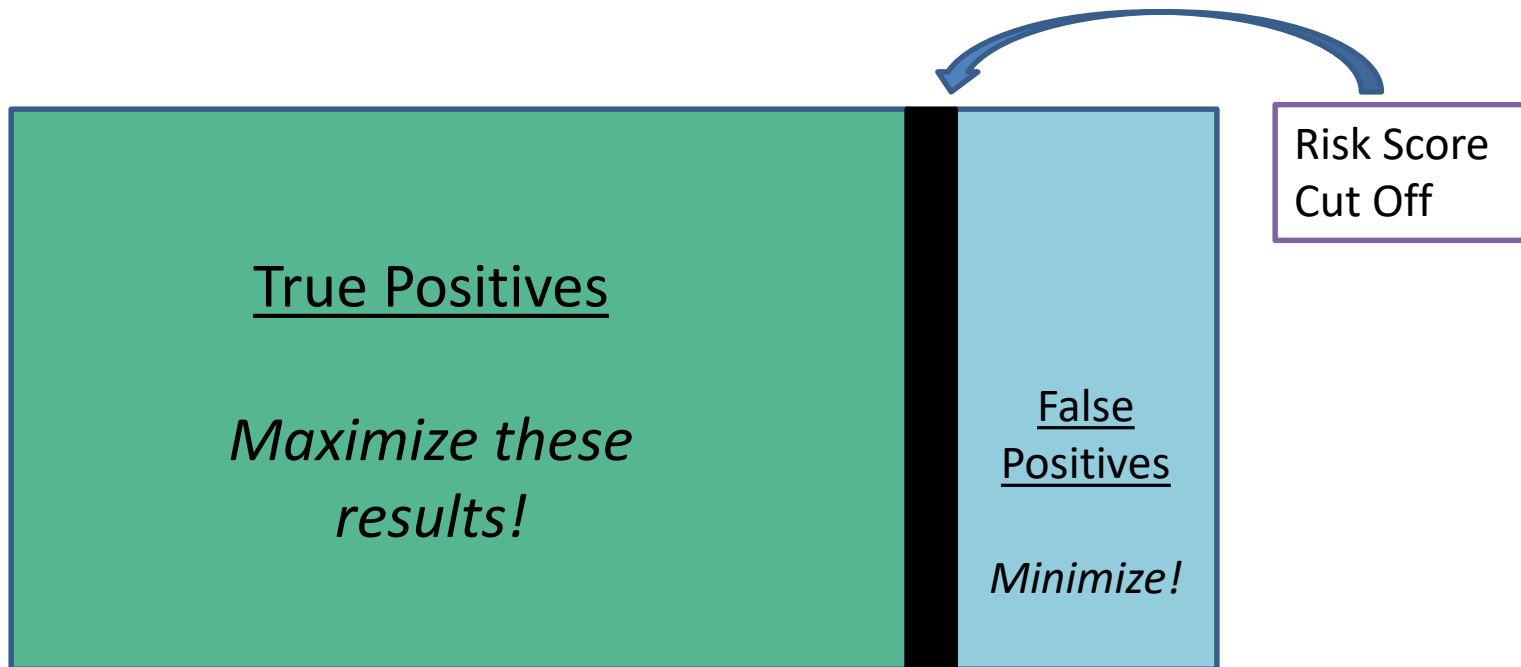
# Risk Modeling

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- Identifying a broader range of improper payments may increase the number of improper payments that agencies must review.
  - If results are true positives, the work is highly valuable.
  - If results are false positives, the work wastes resources.

# Using Risk Modeling to Prioritize Adjudication Resources

- Risk modeling helps agencies manage the results of advanced matching and other analytics by providing a structured prioritize review, adjudication, and investigative resources.



# Providing Payment Integrity Controls

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- Analytics designed to test for indications that program-specific requirements have been violated or that payment errors have occurred.
  - Flagging anomalous payment patterns
  - Detecting high risk payments on purchase cards or travel reimbursements
  - Identifying duplicate payments
  - Testing vendor payment approval limits
  - Comparing employee addresses to contract awardee addresses

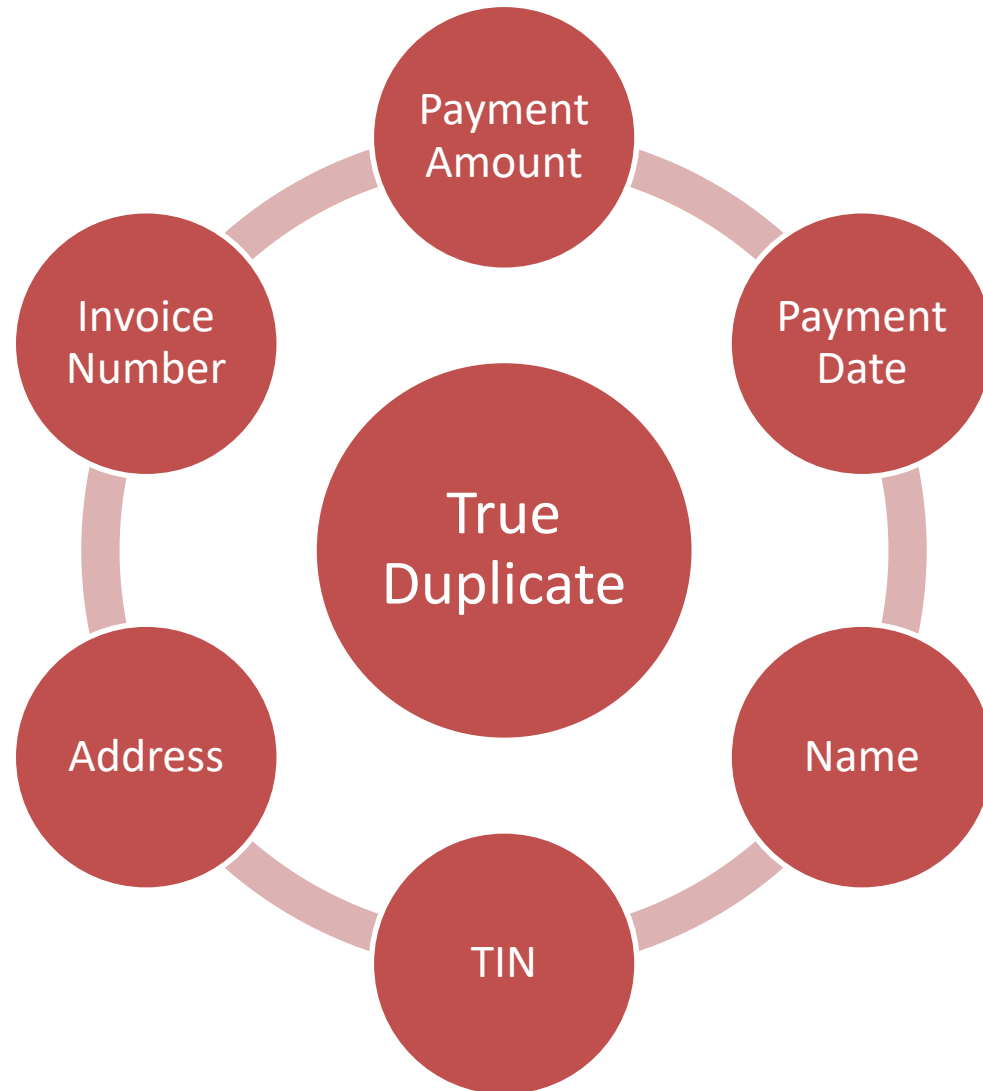
# Detecting Duplicate Payments

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- Agencies have been working to find ways to identify duplicate payments both within and across programs.
- Detecting true duplicate payments is challenging and requires the application of complex criteria.
- Collaboration between DNP data scientists and agency program subject matter experts can:
  - Develop criteria that will identify true duplicates.
  - Exclude patterns that correspond to legitimate (if seemingly duplicative) payments.

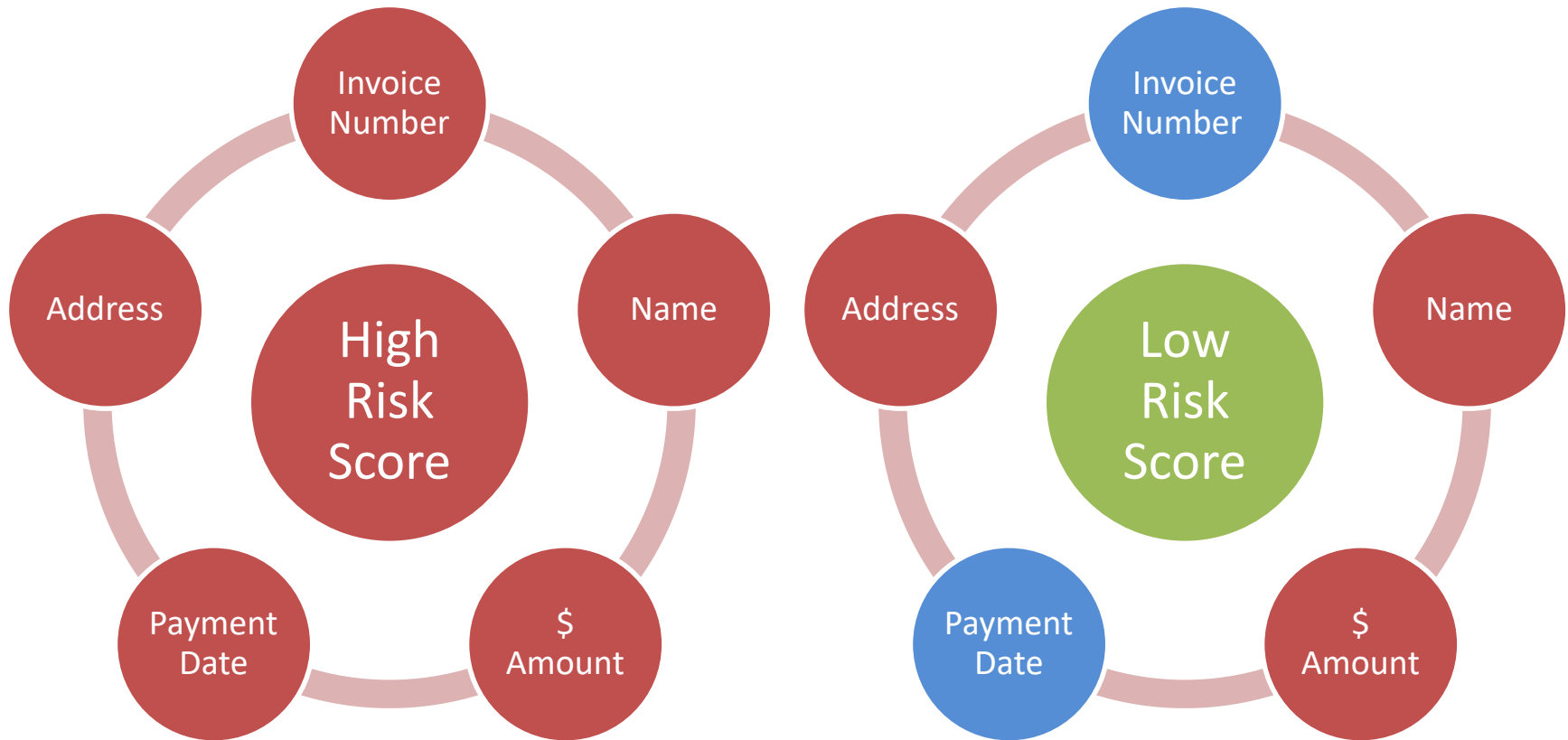
# Detecting Duplicate Payments

Factors that may indicate a duplicate payment.

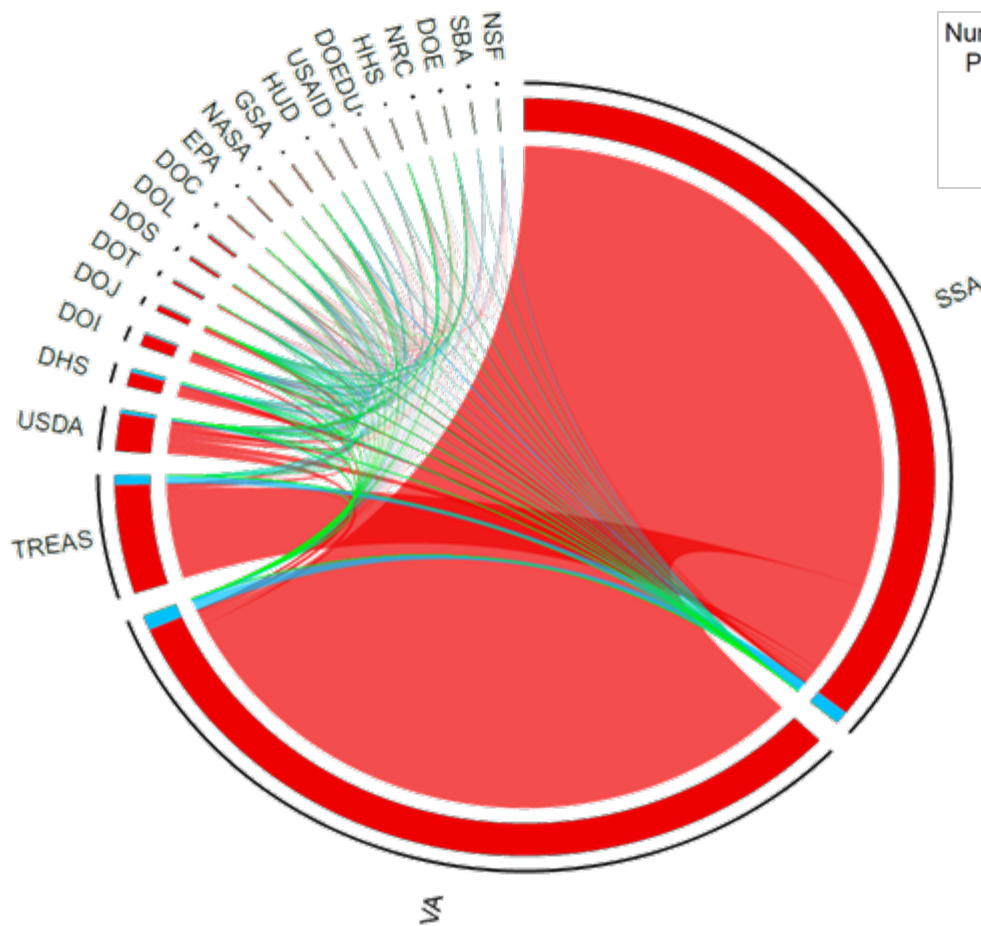




# Example Risk Score for Duplicate Payments



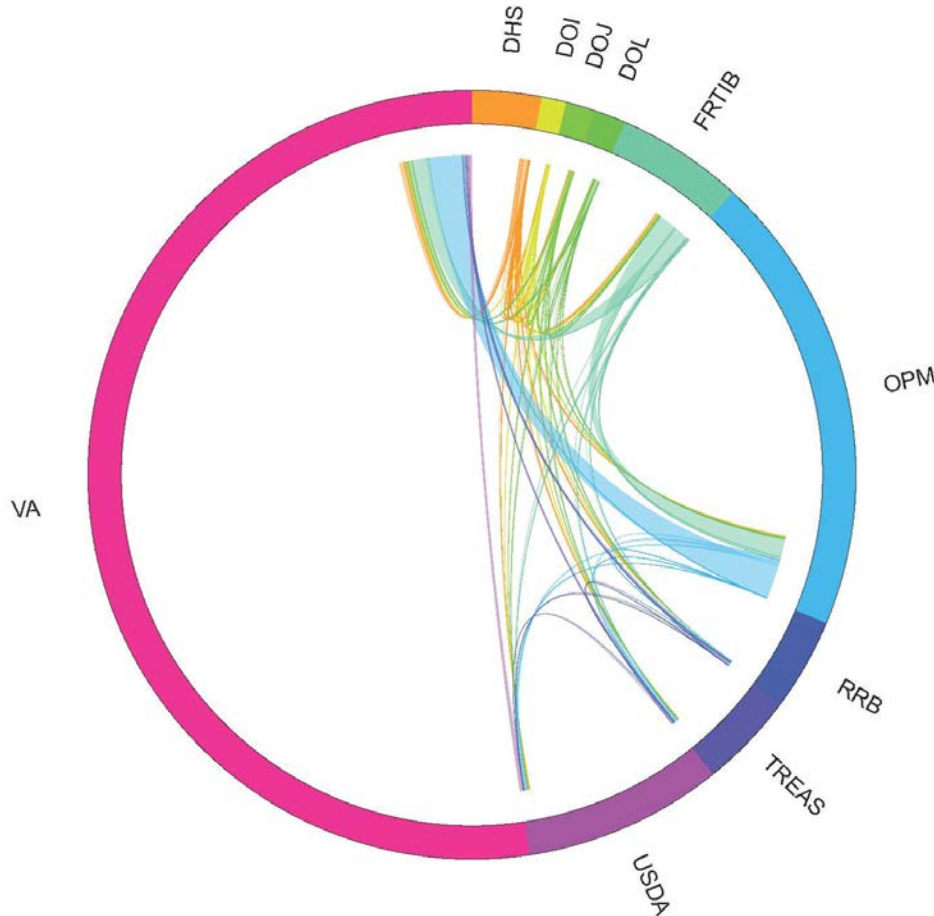
# Detecting Cross Agency Overlap



Overlap can occur when multiple programs are tasked with providing support for similar goals or beneficiaries.

# Detecting Cross Agency Overlap

Overlap of Bank Accounts in Agency PAM Payments  
(Top 10 Agencies)



When programs are not to provide overlapping support simultaneously, overlap can become an improper payment.

Detecting overlap that is an improper payment is not easy.

# Data Quality and High-Risk Payee Networks

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- Fraud Reduction and Data Analytics Act of 2016:
  - Requires the development of guidelines for agencies—based on leading practices from GAO’s Fraud Risk Framework—to implement controls to assess fraud risks and to prevent, detect, and respond to fraud, including improper payments.
- Using data analytics to detect fraud and improper payments is one of the leading practices cited by GAO.

# Identifying Fraud Risks

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- To support agencies in responding to the Fraud Reduction and Data Analytics Act of 2016, DNP can provide analytics to detect certain types of fraud risk.
  - Testing data quality to ensure data matching efforts are effective.
  - Techniques to screen payment data for indicators of high-risk payee networks that may be abusing government resources.

# Identifying Fraud Risks



TIN/SSN	Full Name	Bank Account Number	Address
111111111	John Smith	8888888888	1000 Main Street, Apt A, St. Louis MO
222222222	Mary Louis	8888888888	1000 Main Street, Apt B, St. Louis MO
333333333	Joe Clarks	8888888888	1000 Main Street, Apt C, St. Louis MO

# Contact Information

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