Inspectors General Champion Payment Integrity

The federal government makes every effort to ensure that payments are made to the **right recipient** for the **right amount** and at the **right time**.

Despite agency efforts to ensure payment accuracy, <u>improper payments</u> still happen. In FY 2024, the total amount of improper and unknown payments governmentwide was <u>\$161.5 billion</u>.

The <u>Do Not Pay (DNP) Initiative</u> requires agencies to verify recipients' eligibility to receive payments before federal funds are released, to **prevent and detect improper payments**.

However, Federal IGs have identified shortcomings in agencies' implementation of the DNP Initiative and use of Treasury's <u>DNP Portal</u>:



 DOT OIG found that Transportation was not fully in compliance with DNP as it lacked policies and procedures to ensure ineligible recipients did not receive payments, and was not using the DNP Portal for pre-payment checks as required by law. This report made two recommendations to help strengthen internal controls.



PRAC identified \$38 million in potentially improper or fraudulent pandemic loans associated with Social Security numbers of deceased individuals, and noted that if Treasury's DNP Portal had permanent access to SSA's full Death-Master File, agencies could enhance their efforts to identify and prevent improper payments to deceased individuals. Since the PRAC issued its fraud alert, the portal has maintained full access to this data.



OPM OIG found via the DNP Portal that OPM Retirement Services paid 3 deceased annuitants, out of 197 sampled, a total of \$421,040 in potential improper payments and found that OPM Healthcare and Insurance had not been using the DNP Portal for new health insurance carrier applicants since 2017. This report made seven recommendations, all of which have been resolved by OPM to further enhance payment integrity.

To learn more about how DNP works, watch this <u>video</u>, and check out <u>Chapter 1</u> and <u>Chapter 3</u> of the PRAC's *Blueprint for Enhanced Program Integrity*, which focuses on fraud prevention and includes additional information on the use of DNP.

