

AGING OF OUTSTANDING OVERPAYMENTS IDENTIFIED IN THE PAYMENT RECAPTURE AUDIT PROGRAMS
(dollars in thousands)

Program or Activity	Amount Outstanding (0–6 months)	Amount Outstanding (6 months to 1 year)	Amount Outstanding (over 1 year)	Amount Determined to Not Be Collectable
Travel Program	\$ 27.6	\$ 13.1	\$ 111.6	\$ —
OBO Programs	16.3	0.4	7.9	—
Foreign Service Annuities	—	—	51.9	—
Total	\$ 43.9	\$ 13.5	\$ 171.4	\$ —

Additional Department Payment Integrity Information can be found at the following link: <https://paymentaccuracy.gov/>. This link contains more detailed Department information on improper payments.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

The Department reviewed potential improper payments provided by the Department of the Treasury (Treasury) generated as a result of submitting disbursed payments through the Do Not Pay (DNP) portal. In FY 2017, the Treasury reviewed and disbursed 1,439,300 payments totaling \$12.6 billion paid by the Department through the DNP portal. Potential matches were provided on a daily basis, comparing payments to the public Death Master File (DMF) of the Social Security Administration and the General Services Administration's Excluded Parties List System (EPLS). The Department has access to the private EPLS matching criteria, and as such, the DMF results were based on a social security number and name match of any payees who have been reported as deceased.

Through daily access via the Treasury DNP portal, the Department reviewed 1.1 million unmatchable payments, totaling \$3.1 billion, and adjudicated 19 potential erroneous payment matches totaling \$77,345 as part of the post-payment review process. The Department adjudicated and determined that the 11 DMF matches were deemed to be rightfully due to the deceased annuitants' estates. The remaining System for Award Management sourced payments included eight erroneous payments totaling \$17,086.

The Department continued to utilize the Do Not Pay portal's Social Security Administration DMF on a pre-payment continuous monitoring basis for all annuitant payments this year. At least twice each month the Department's annuitant database is screened against the DMF to identify deceased annuitants. All matches are researched and if confirmed, payment to the annuitant is stopped prior to processing the monthly annuity payment run. In 2017, 199,355 annuitant payments totaling \$934 million were reviewed against the DMF and 121 payments totaling \$418,551 were stopped due to this initiative. This process has been successful in timely identifying deceased annuitants and ensuring improper payments are not made. In addition, all annuity manual payments processed through Treasury's Secure Payment System are also reviewed through the Do Not Pay DMF online search prior to making the payment. For each manual payment, the Department maintains supporting documentation to show that a DMF match did not occur.

For non-Treasury Disbursing Office payments made by the Department for disbursement overseas, payee information is checked against Treasury's Office of Foreign Assets Control's (OFAC) list of Specially Designated Nationals (SDN). During 2017, potential payment matches were reviewed and resulted in two stopped payments totaling \$1,306. Also, during country integration to the Society of Worldwide Interbank Financial Telecommunication network, the Department provided payee lists associated with the given country to the Federal Reserve Bank. The Federal Reserve Bank verified none of the listed payees were included on the OFAC's SDN list. Furthermore, each disbursement payment batch was verified against OFAC's SDN list before being sent to the intermediary bank and before the intermediary bank transferred the funds to local bank.