

GAO Highlights

Highlights of [GAO-17-15](#), a report to the Ranking Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Improper payments are a long-standing, significant problem in the federal government, estimated at nearly \$137 billion in fiscal year 2015. GAO previously reported that one strategy to help prevent improper payments is up-front verification of eligibility through data sharing and matching. Established by OMB in 2011 and hosted by Treasury, the DNP working system is a web-based, centralized data matching service.

GAO was asked to review the DNP working system. This report examines the extent to which (1) OMB and Treasury developed the DNP working system and obtained access to relevant databases, (2) selected agencies used the DNP working system to help review eligibility, and (3) OMB monitored the use of the system. GAO reviewed relevant laws and guidance; interviewed officials at OMB, Treasury, and 10 user agencies selected in part based on size and reported improper payment estimates, including those with the largest reported estimates; and analyzed DNP working system documentation.

What GAO Recommends

Congress should consider amending the Social Security Act to allow SSA to share its full death file through the DNP working system. GAO is making two recommendations to Treasury and seven to OMB, including for OMB to develop and communicate a strategy and guidance and develop monitoring mechanisms. Treasury agreed. OMB agreed with two and agreed or generally agreed with the concepts behind the remaining five. GAO believes that it is important to fully implement all of the recommendations.

View [GAO-17-15](#). For more information, contact Beryl H. Davis at (202) 512-2623 or davisbh@gao.gov.

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IMPROPER PAYMENTS

Strategy and Additional Actions Needed to Help Ensure Agencies Use the Do Not Pay Working System as Intended

What GAO Found

The Office of Management and Budget (OMB), in coordination with the Department of the Treasury (Treasury), developed the Do Not Pay (DNP) working system as a data matching service for agencies to use in preventing improper payments, but GAO found that the DNP working system offers either partial or no access to three of the six databases required by the Improper Payments Elimination and Recovery Improvement Act of 2012, as amended. Specifically, the DNP working system offers no access to the Social Security Administration's (SSA) prisoner records and partial access to the Credit Alert Interactive Voice Response System and SSA's death records. The death records offered through the DNP working system do not include state-reported death data. SSA officials stated that sharing its full death file—which includes state-reported death data—would require an amendment to the Social Security Act. Sharing the full death file through the DNP working system would enhance efforts to identify and prevent improper payments.

The 10 agencies GAO reviewed have used the DNP working system in limited ways, in part because of a lack of clear OMB strategy and guidance. The most common way these agencies used the DNP working system is through its payment integration process, whereby Treasury compares disbursements it makes with DNP databases. However, Treasury matches against only two databases, and because the matching is performed simultaneously with disbursement, agencies generally do not receive the results in time to prevent improper payments. Further, because the payment integration process is built into Treasury's payment process, it does not compare payments disbursed through other means, such as payments made by the Defense Finance and Accounting Service (\$477 billion in fiscal year 2015). OMB and Treasury guidance do not fully address the limitations of the payment integration process or whether its use is required. Aside from payment integration, 6 of the 10 agencies GAO reviewed used the DNP working system in limited ways, and 9 of the 10 agencies used some of the databases outside the DNP working system. OMB has not developed a strategy or communicated through guidance how it expects agencies to use the DNP working system. As a result, agencies may not effectively and efficiently use the system to help reduce improper payments.

Although OMB collects certain information about the use of the DNP working system, it has not developed monitoring mechanisms, such as goals or performance measures. Reported savings from use of the DNP working system have been minimal. OMB reported that the overall DNP Initiative (which encompasses the DNP working system and other agency-specific efforts) prevented over \$2 billion in improper payments in fiscal year 2014, but none of these savings resulted from use of the DNP working system. Further, while OMB has not reported on fiscal year 2015 results, the 24 Chief Financial Officers Act agencies reported about \$680,000 in improper payments prevented through use of the system in fiscal year 2015. However, GAO identified instances in which such agency-reported information was not consistent with reports generated by the system. Without monitoring mechanisms and reliable data, OMB cannot effectively evaluate the DNP working system or identify and address performance issues.