



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

# The State of Payments

Five projects that are shaping the future

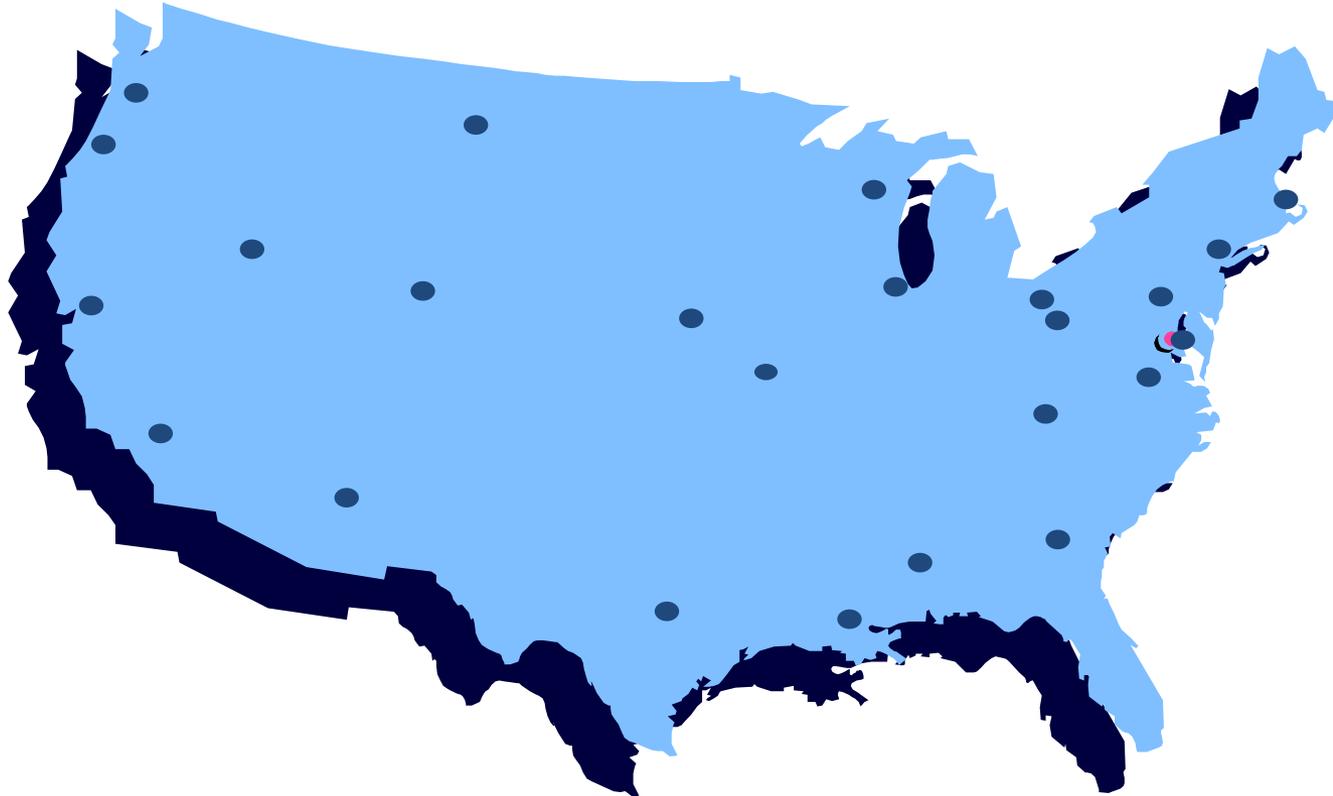
John Hill, Assistant Commissioner  
September, 2014

# Historical Perspective...*that was then*

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**1950**

US Treasury had 29 Regional Disbursing Offices



**1975**

US Treasury printed 718 Million Checks

# Historical Perspective...*this is now*

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**2014**

US Treasury has 2 processing centers for payments

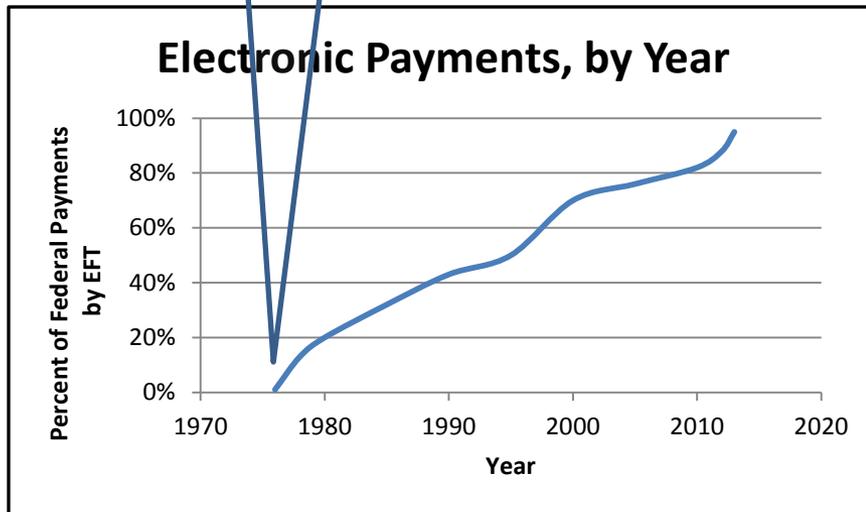


**2014**

US Treasury disburses 1.2 Billion payments  
*(but only 65 million checks)*

# Where is the future created?

In 1976, Treasury issued the first Federal salary payments by EFT



*“The future is already here ...*

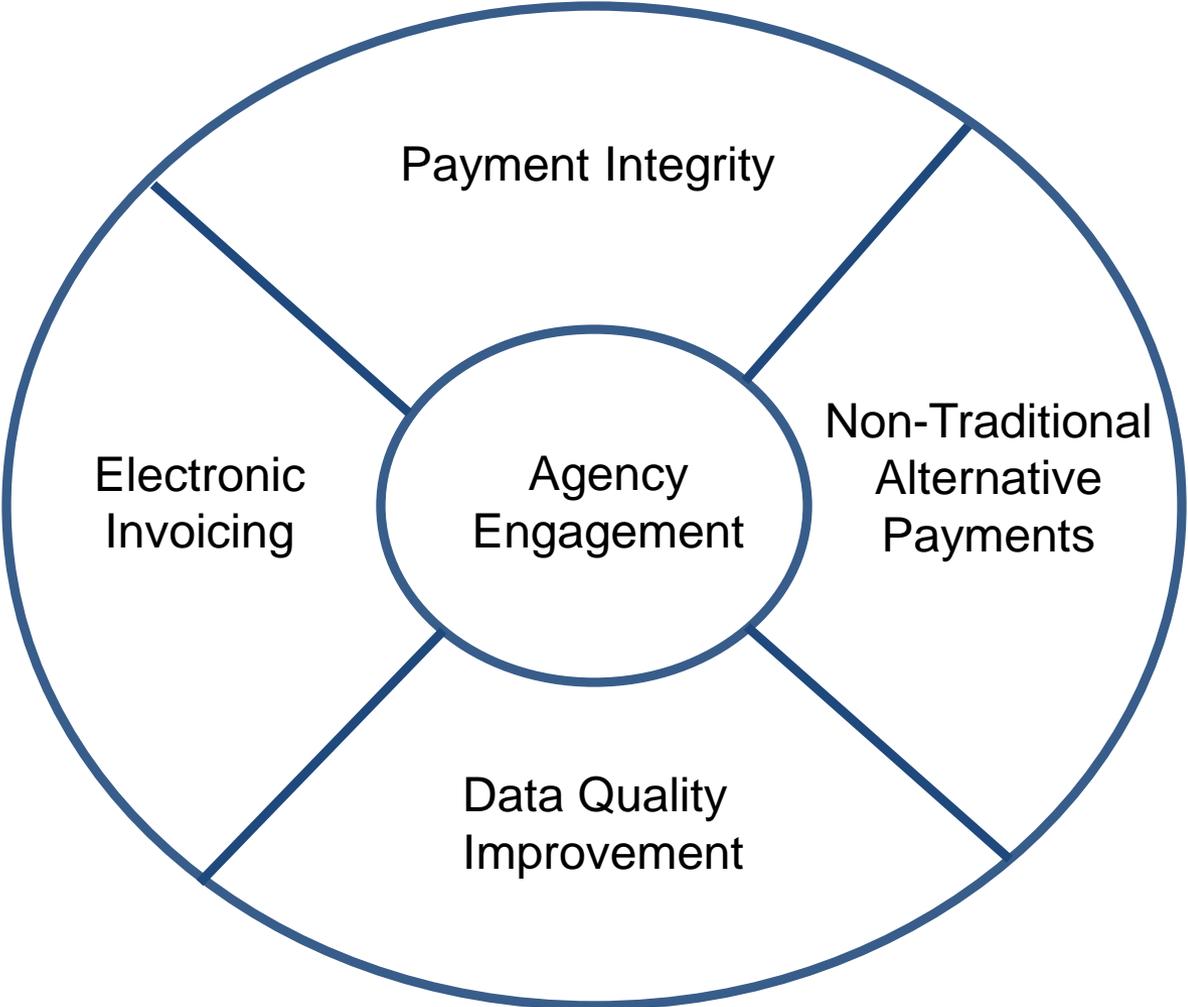
*it's just not very evenly distributed.”*



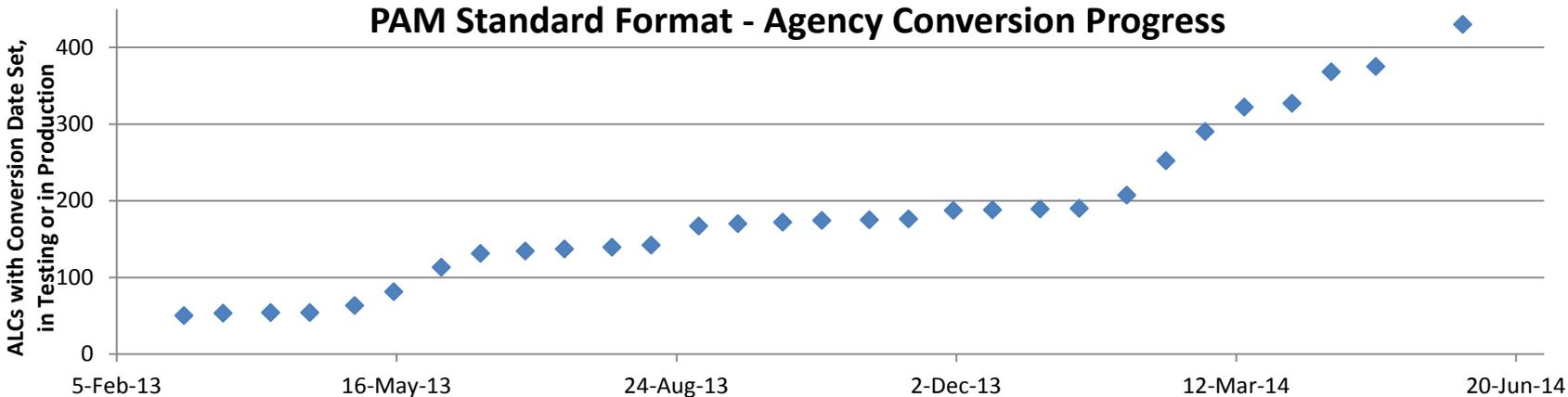
William Gibson

# Five Future-shaping projects

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# Agency Engagement



33 Webinars with live demos

5 Three-day sessions at Liberty Center

18 "hands on" labs

On-site visits with agencies

ERP coordination

*The conversion to the PAM Standard Reporting Format was a model for engaging Federal agencies*

# Agency Engagement

## Fiscal Service Advisory Council Payments Forum

Sept 17-18, Kansas City, Mo

- Provide ongoing customer feedback
- Evaluate current products and services
- Identify new/alternative services and products
- Determine areas in need of improvement
- Serve as an issues forum
- Determine customer priorities

## Certifying Officer Training

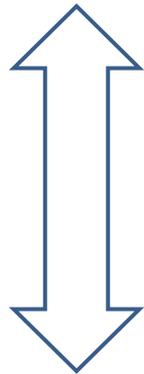
Starting in 2015



# Integrating Systems for Payment Integrity

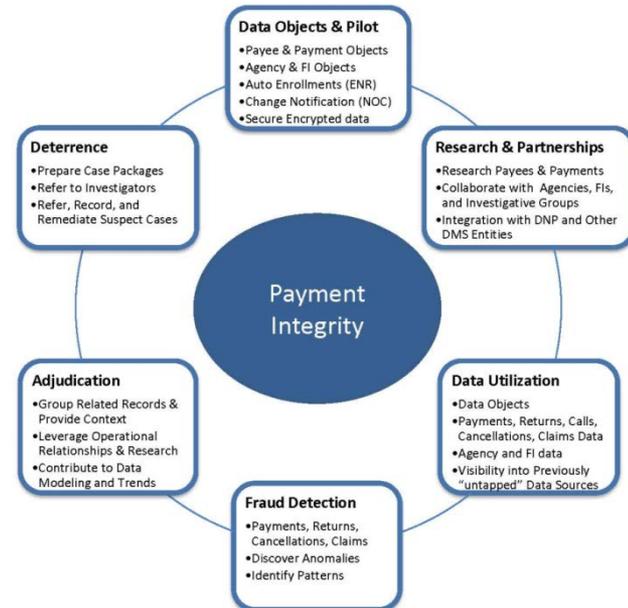


Pilot test of the PPS database has identified suspicious multiple payments to the same payee/address.



**PAM Release 7.0 integrates the DNP eligibility controls into the payment process**

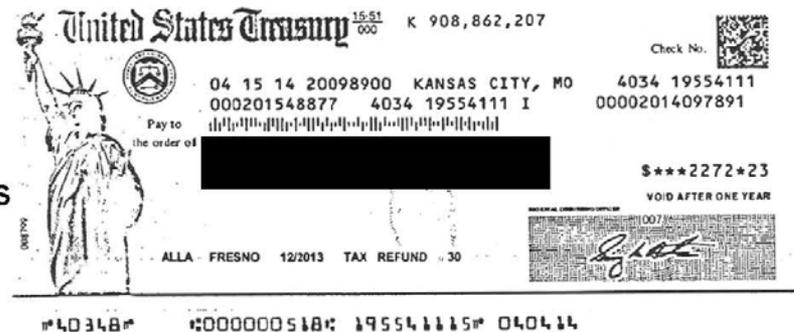
Do **NOT** Pay



# Integrating Systems for Payment Integrity

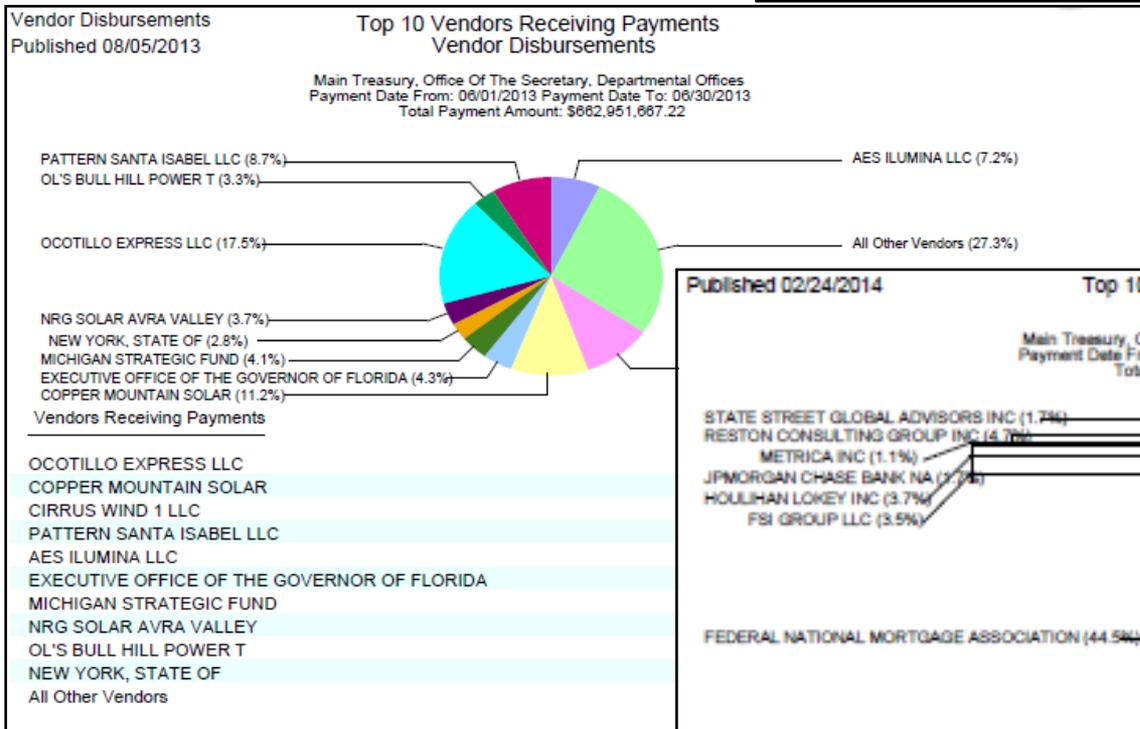
## Recent Case from new Post Payment System

- In May, 2014, PFC detected a fraudster through payment matching, who had altered eight (8) U.S. Treasury checks over the course of a month:
  - While the alterations were well crafted, we were suspicious about the uniquely named individual and his alteration process (U.S. Treasury check template?)
  - As name search in legacy is prohibitive, PPS Pilot/payee object was leveraged to better identify the individual – other checks in his name? We found him!
  - Leveraged financial institution relationships for documentation and videotapes
  - Package built by PFC was **complete and current**. So, Secret Service assigned an agent to the case (typically, they do not actively pursue cases under \$100k)
  - Secret Service / AUSA caught him and is pursuing Federal criminal action
- This was made possible by:
  - **Existing** post payment processes
  - **Payee object** within PPS Pilot
  - **Relationships** with investigative agencies and financial institutions
  - **Complete Package** preparation

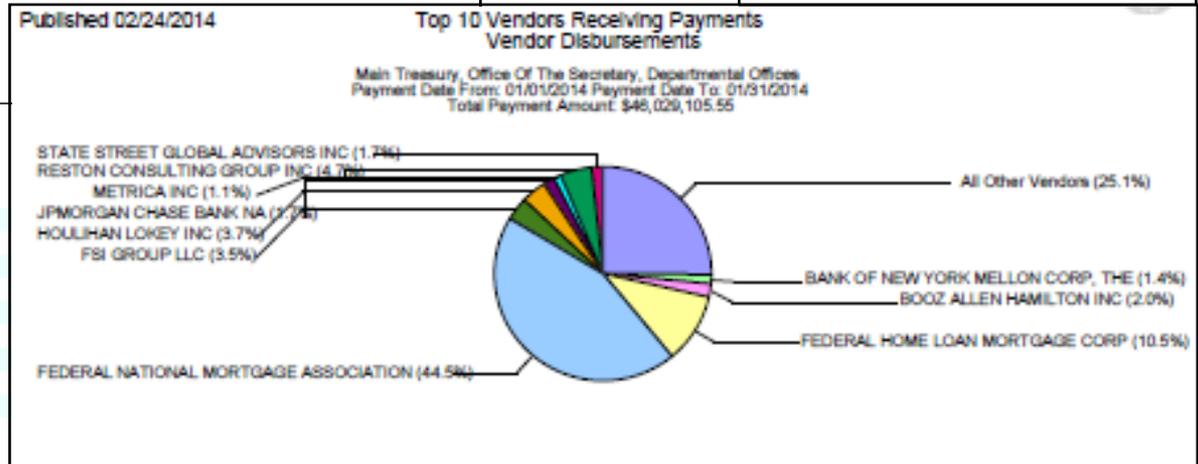


# Tools for data quality improvement

**Before – July 2013**



**After – January 2014**



Vendors Receiving Payments	Payment Amount	Percent of Total
FEDERAL NATIONAL MORTGAGE ASSOCIATION	\$20,484,237.76	44.5%
FEDERAL HOME LOAN MORTGAGE CORP	\$4,850,586.76	10.5%
RESTON CONSULTING GROUP INC	\$2,146,983.21	4.7%
HOULIHAN LOKEY INC	\$1,720,427.37	3.7%
FSI GROUP LLC	\$1,825,930.75	3.5%
BOOZ ALLEN HAMILTON INC	\$910,521.48	2.0%
STATE STREET GLOBAL ADVISORS INC	\$800,000.00	1.7%
JPMORGAN CHASE BANK NA	\$783,067.75	1.7%
BANK OF NEW YORK MELLON CORP, THE	\$630,368.00	1.4%
METRICA INC	\$521,817.93	1.1%
All Other Vendors	\$11,555,384.45	25.1%

# Tools for data quality improvement

**Example of the Vendor Detail Report available to agencies through the PIR Private Portal.**

The Payment Payee Name column shows the payment recipient's name as it appears on the payment record (may be different than what appears on the vendor reports and dashboard views). This occurs because payee records are combined to form Unified Vendors, the names of which are shown in the Unified Vendor column of this report.

The type of payment (e.g., vendor, miscellaneous, etc.) Note: This field provides insight into why a payment is included in a specific report or dashboard view. For example payments "Miscellaneous" type are excluded from vendor reports and dashboard views.

Indicates whether vendor names are withheld, either by vendor or agency request, or if the vendor's organization type in GSA SAM is "sole proprietor"

Shows the two digit state code

The original date the payment was made

The date the payment was processed by PIR

Identifying information for the department that dispersed the payment

Indicates whether a payment is included in the vendor reports and dashboard views

Shows the amount of the payment

The method of the payment (e.g., NACHA, check, wire, etc.)

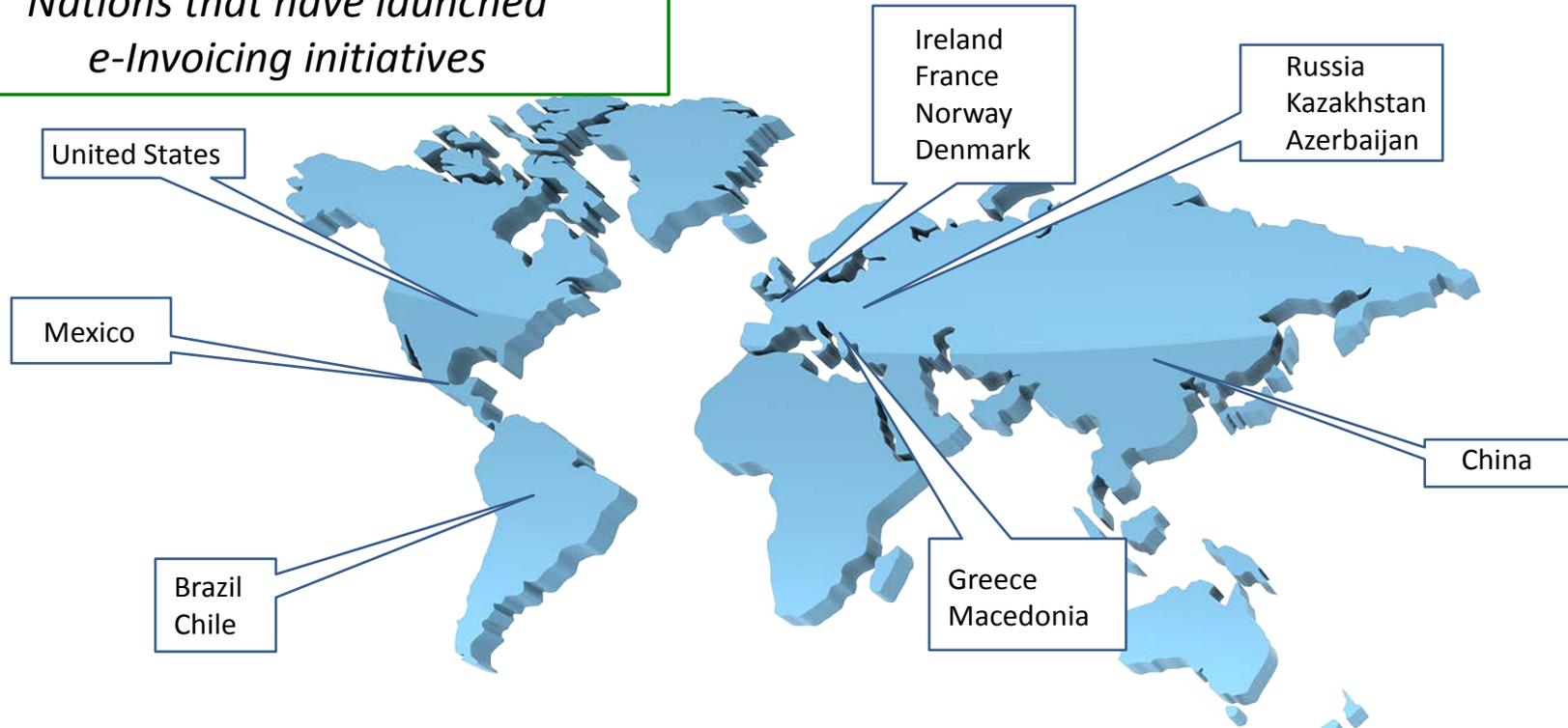
Indicates whether the Unified Vendor is matched to records in GSA SAM

Organization Type and Market Sector for the Unified Vendor as indicated in GSA SAM

Department Name	Dept ID	Bureau Name	Bureau Code	ALC	Is Included	Record Type	Payment Payee Name	Payment Date	Process Date	Payment Amount	Payment Type	Payment Method	Unified Vendor ID	Unified Vendor Name	Is Matched to CCR	Is Redacted	Org Type Code	Organizational Type	State Code	Market Sector Code	
<b>Included Detail</b>																					
Treasury	Mint		20160001		Y	detail	AT&T MOBILITY LLC	6/9/13	6/9/13	\$846,801.18	Vendor	NACHA	546129	AT & T MOBILITY LLC	Y	N	2L	Corporate Entity	DE	51	
Treasury	Mint		20160001		Y	detail	VERIZON PENNSYLVANIA I	6/6/13	6/6/13	\$21.89	Vendor	NACHA	987231	VERIZON COMMUNICATIONS INC	Y	N	2L	Corporate Entity	NY	51	
Treasury	Mint		20160001		Y	detail	VERIZON MARYLAND INC.	6/6/13	6/6/13	\$68.99	Vendor	NACHA	987231	VERIZON COMMUNICATIONS INC	Y	N	2L	Corporate Entity	NY	51	
Treasury	Mint		20160001		Y	detail	CELLCO PARTNERSHIP	6/11/13	6/11/13	\$30,916.45	Vendor	NACHA	987231	VERIZON COMMUNICATIONS INC	Y	N	2L	Corporate Entity	NY	51	
Treasury	Mint		20160001		Y	detail	SECURICOR INTL VALUABL	6/9/13	6/9/13	\$1,520.00	Vendor	NACHA	469129	SECURICOR INTL VALUABL	N	N					
Treasury	Mint		20160001		Y	detail	LOCKHEED MARTIN SERVIC	6/9/13	6/9/13	\$11,189.06	Vendor	NACHA	854321	LOCKHEED MARTIN SERVICES INC	Y	N	2L	Corporate Entity	DE	33	
Treasury	Mint		20160001		Y	detail	LOCKHEED MARTIN SERVIC	6/11/13	6/11/13	\$5,140.00	Vendor	NACHA	854321	LOCKHEED MARTIN SERVICES INC	Y	N	2L	Corporate Entity	DE	33	
Treasury	Mint		20160001		Y	detail	SMITH, MARVIN	6/9/13	6/11/13	\$15.23	Vendor	Check	652341	SMITH, MARVIN	Y	Y	2J	Sole Proprietor			
Treasury	Mint		20160001		Y	detail	BORTON-LAWSON ENGINEER	6/9/13	6/9/13	\$4,381.13	Vendor	NACHA	765164	BORTON-LAWSON ENGINEERING INC	Y	N	2L	Corporate Entity	PA	33	
Treasury	Mint		20160001		Y	detail	PHILADELPHIA CITY OF-W	6/9/13	6/9/13	\$2,188.40	Vendor	NACHA	142536	PHILADELPHIA CITY OF-W	N	N					
Treasury	Mint		20160001		Y	detail	ULINE INC.	6/9/13	6/9/13	\$127,213.19	Vendor	NACHA	968974	ULINE INC	Y	N	2L	Corporate Entity	DE	54	
Treasury	Mint		20160001		Y	detail	SAFETY-KLEEN SYSTEMS I	6/9/13	6/9/13	\$1,061.84	Vendor	NACHA	748996	SAFETY-KLEEN SYSTEMS INC	Y	N	2L	Corporate Entity	WI	11	
<b>Included Summary</b>																					
Treasury	Mint				Y	summary	**Total of other payments included in Vendor Report**			\$222,081.66	Vendor	NACHA									
Treasury	Mint				Y	summary	**Total of other payments included in Vendor Report**			\$14,930.73	Vendor	Check									
<b>Excluded Detail</b>																					
Treasury	Mint		20160001		N	detail	A-MARK PRECIOUS METALS, INC	7/1/13	6/30/13	\$7,418,534.06	Miscellaneous	Wire	362514	PRECIOUS A-MARK METALS INC	Y	N	2L	Corporate Entity	NY	23	
Treasury	Mint		20160001		N	detail	A-MARK PRECIOUS METALS, INC	6/4/13	6/4/13	\$5,000,000.00	Miscellaneous	Wire	362514	PRECIOUS A-MARK METALS INC	Y	N	2L	Corporate Entity	NY	23	
Treasury	Mint		20160001		N	detail	A-MARK PRECIOUS METALS, INC	7/1/13	6/30/13	\$4,382,335.89	Miscellaneous	Wire	362514	PRECIOUS A-MARK METALS INC	Y	N	2L	Corporate Entity	NY	23	
Treasury	Mint		20160001		N	detail	MITSUI & CO PRECIOUS METALS, INC	6/4/13	6/4/13	\$5,000,000.00	Miscellaneous	Wire	451278	MITSUI & CO PRECIOUS METALS INC	Y	N	2L	Corporate Entity	NJ	23	

# Electronic Invoicing

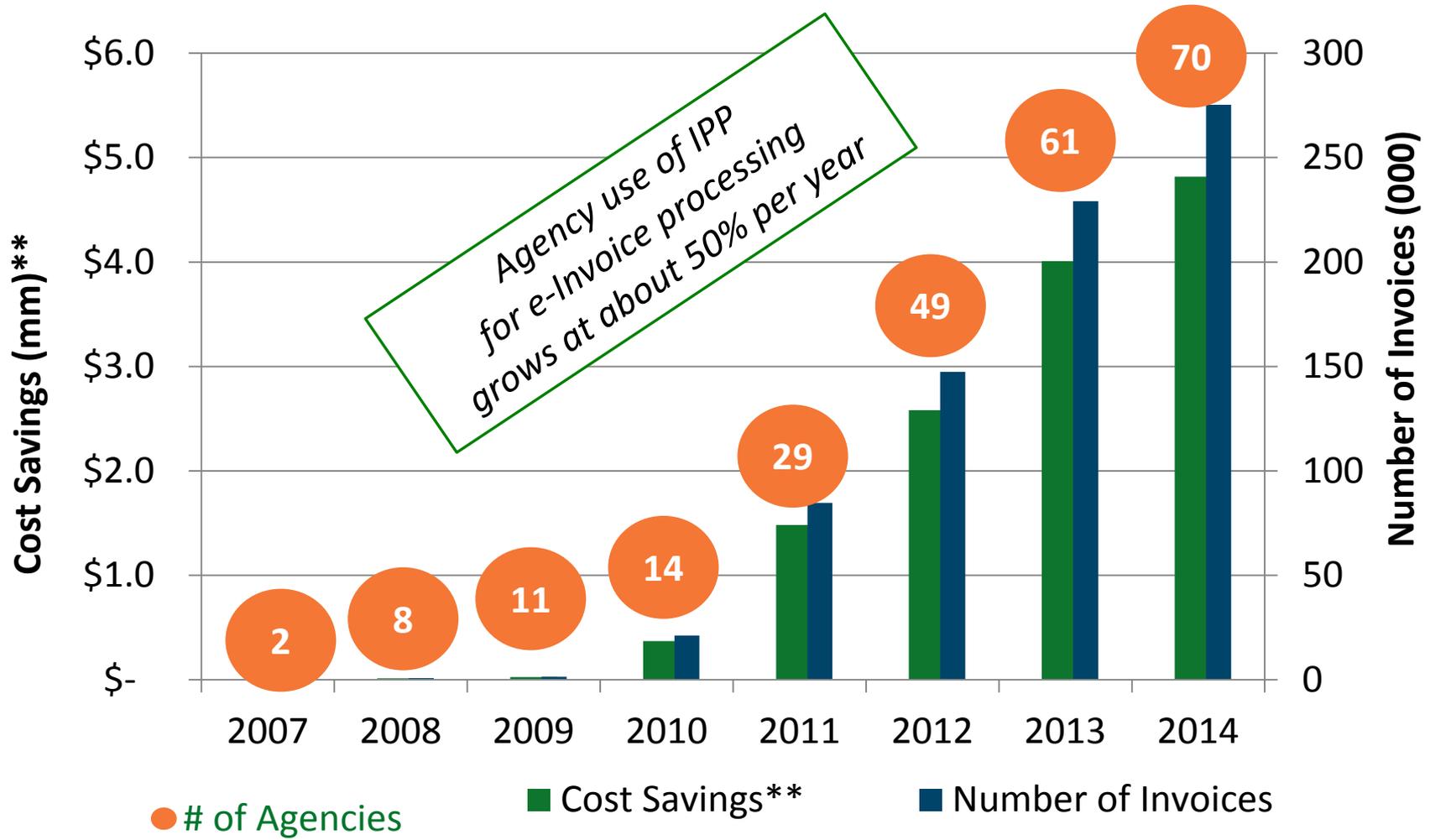
*Nations that have launched  
e-Invoicing initiatives*



*“Between 45% and 65% of all companies in a country are suppliers to the public sector... that is why e-Invoicing initiatives by the public sector are key for the development of the whole country.”*

- e-Invoicing/e-Billing: The catalyst for AR/AP automation  
Bruno, Koch & Billentis, 2013

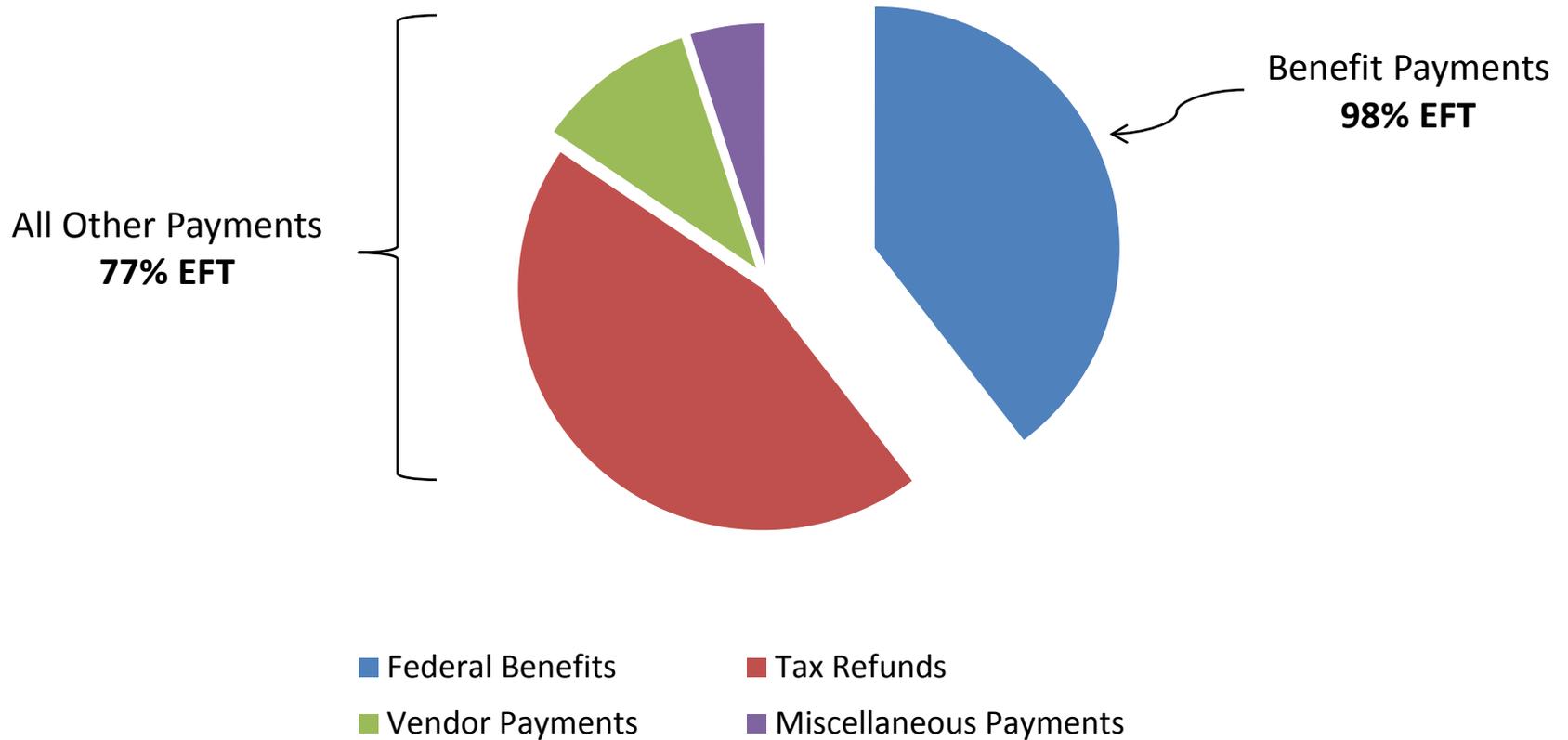
# Electronic Invoicing



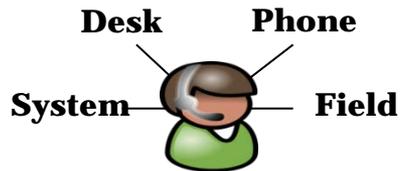
# Non-Traditional Alternative Payments

## Typical Monthly Check Production

4.5 Million Checks – June 2014



# Non-Traditional Alternative Payments



Payment is triggered by appropriate Agency



End User receives email/text notification

A screenshot of a web form titled "Please Verify Your Identity". It contains two input fields: "Email or Cell:" and "Last 4 of SSN #:". Below the fields is a red "Next" button.

End User verifies their identity



End User receives and accesses their funds

A screenshot of a web form titled "Choose Your Payment Network". It lists three options: "PayPal" with an "Email" input field, "popmoney" with a "Bank" dropdown menu, and "clearXchange" with a "Bank" dropdown menu. A red "Confirm" button is at the bottom.

End User selects payment network

# Conclusion

From this:



To this:

