



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

The State of Payments

Five projects that are shaping the future

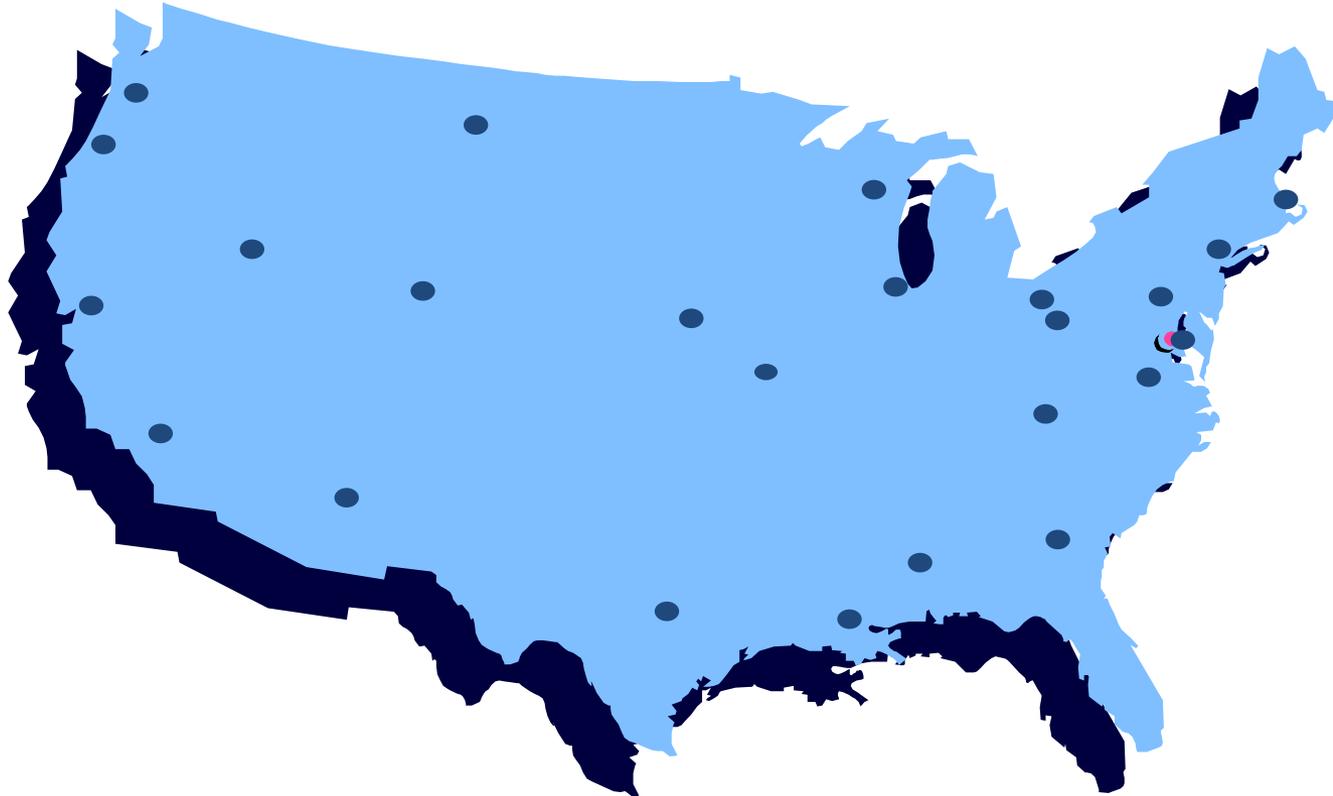
John Hill, Assistant Commissioner

August 11, 2014

Historical Perspective...*that was then*

1950

US Treasury had 29 Regional Disbursing Offices



1975

US Treasury printed 718 Million Checks

Historical Perspective...*this is now*

2014

US Treasury has 2 processing centers for payments

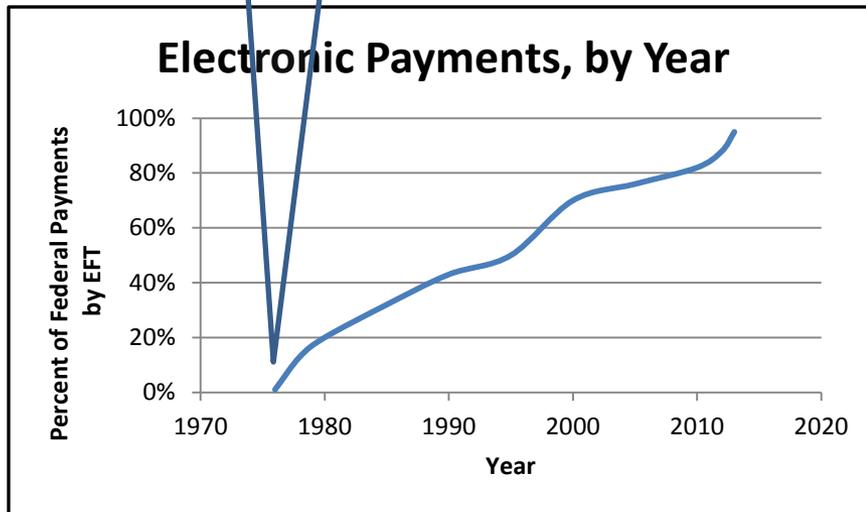


2014

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



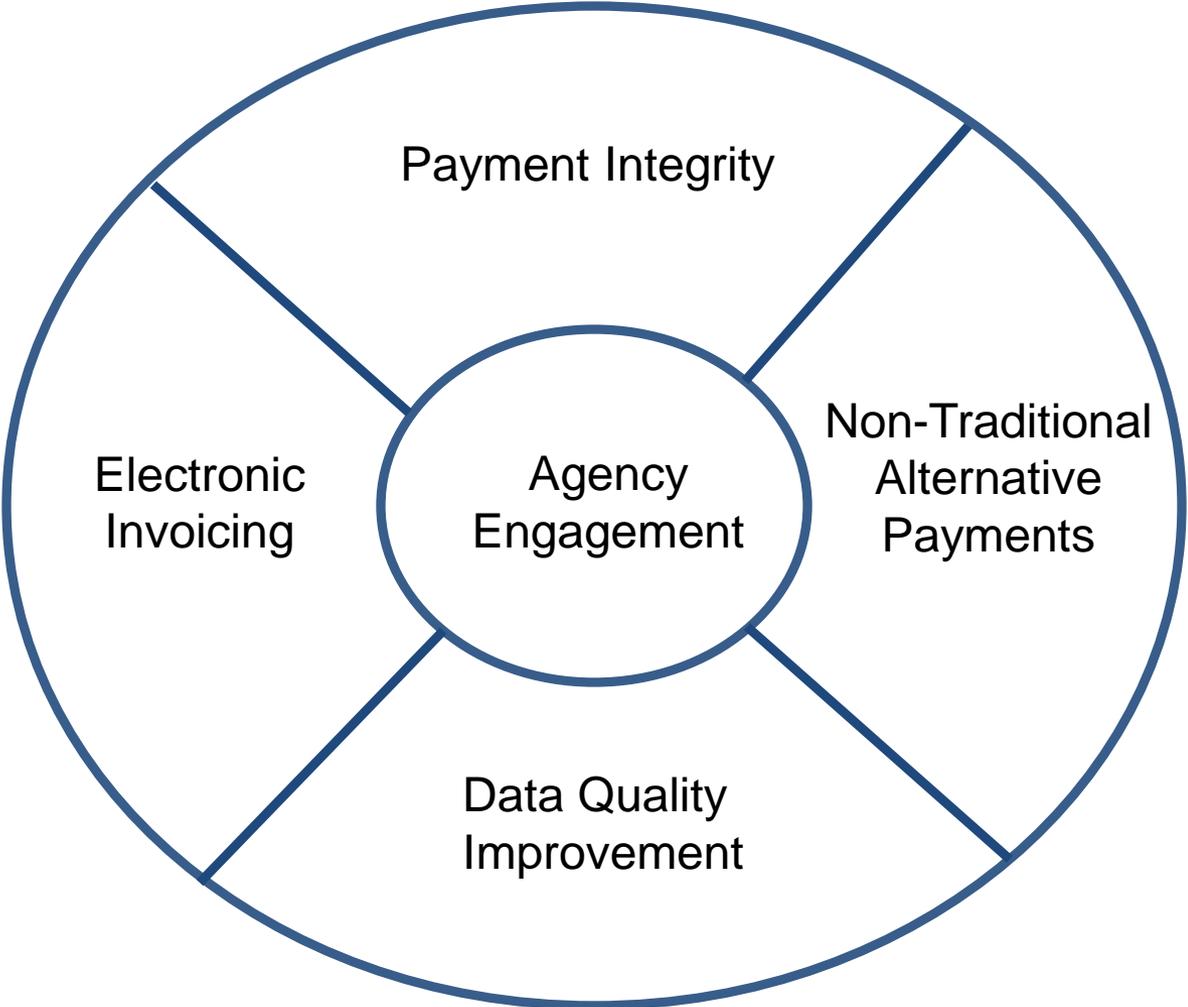
“The future is already here ...

it's just not very evenly distributed.”

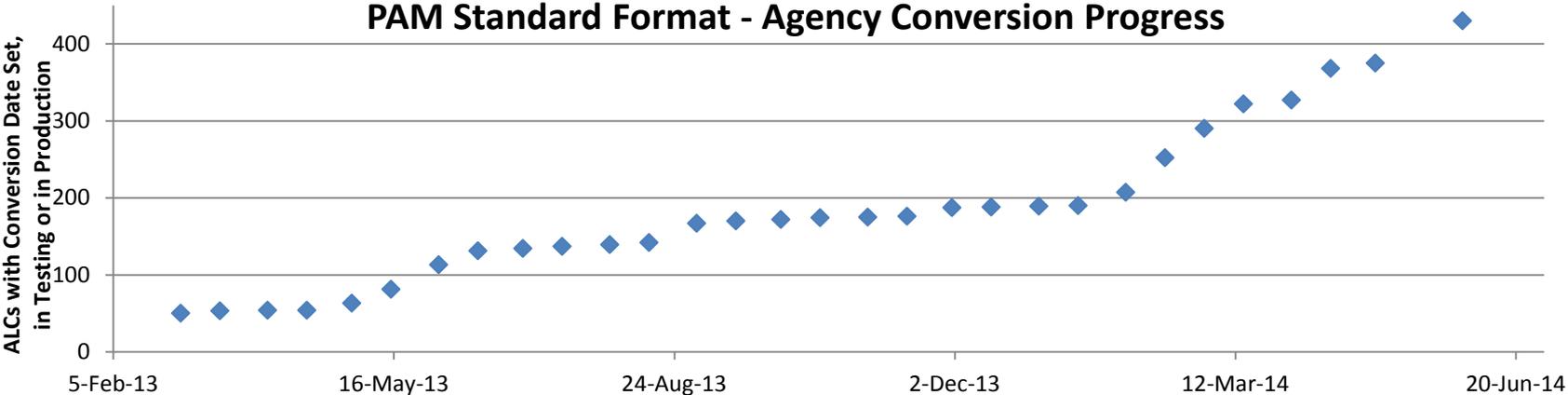


William Gibson

Five Future-shaping projects



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

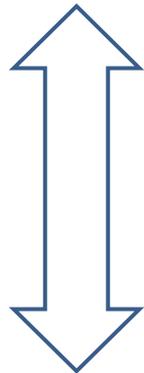
Starting in 2015



Integrating Systems for Payment Integrity

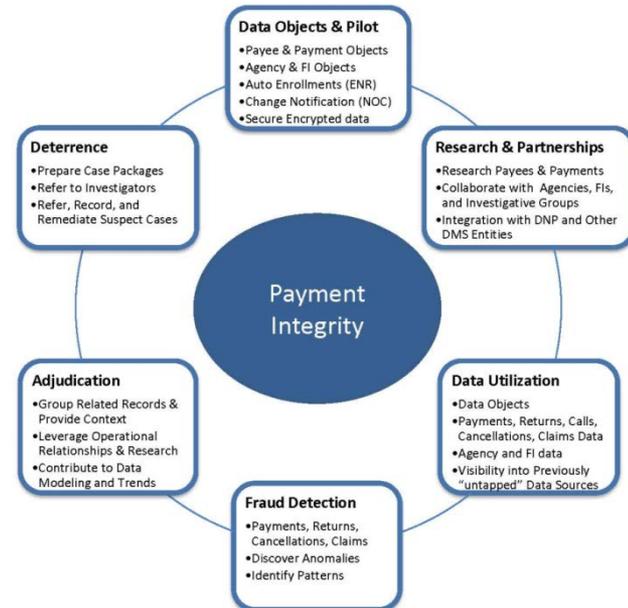


Pilot test of the PPS database has identified suspicious multiple payments to the same payee/address.



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

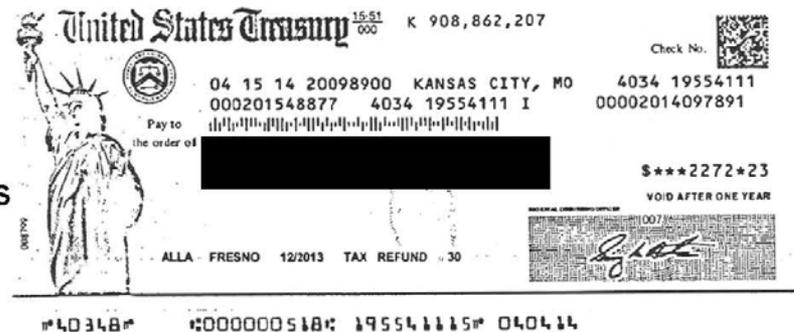
Do **NOT** Pay



Integrating Systems for Payment Integrity

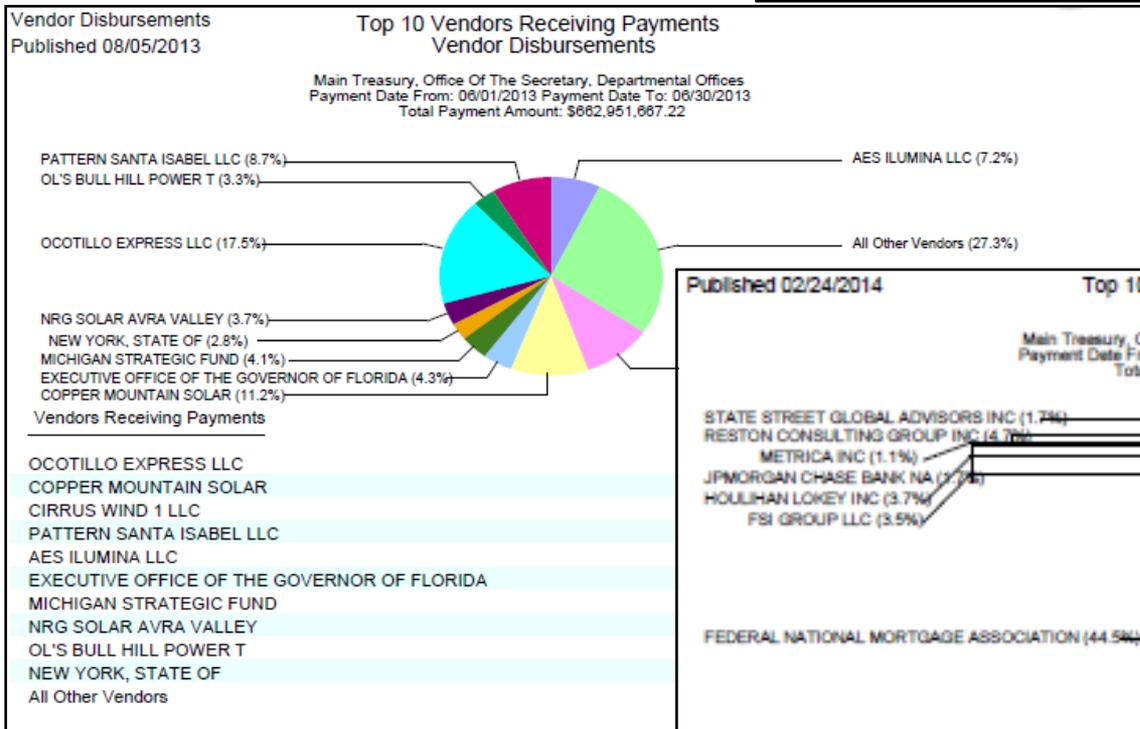
Recent Case from new Post Payment System

- 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

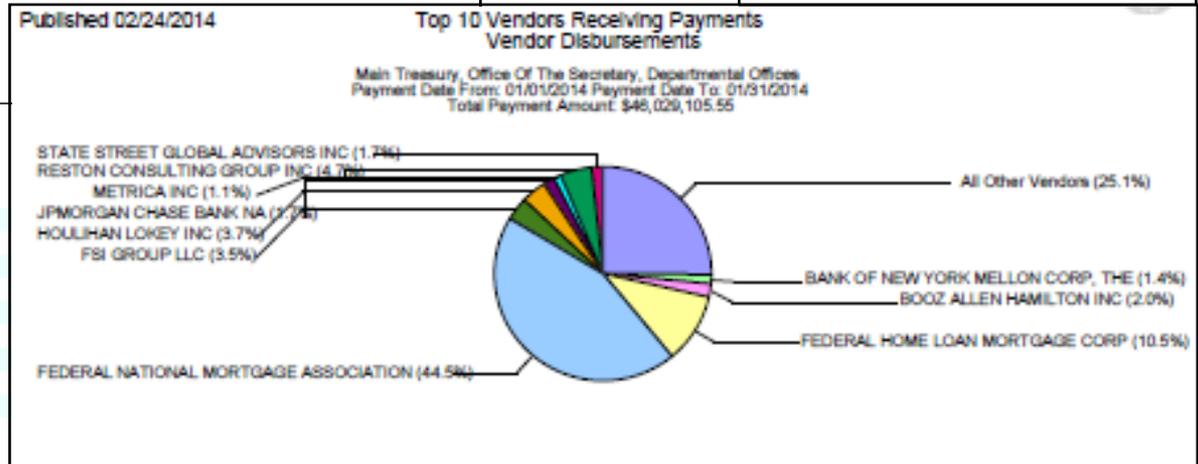


Tools for data quality improvement

Before – July 2013



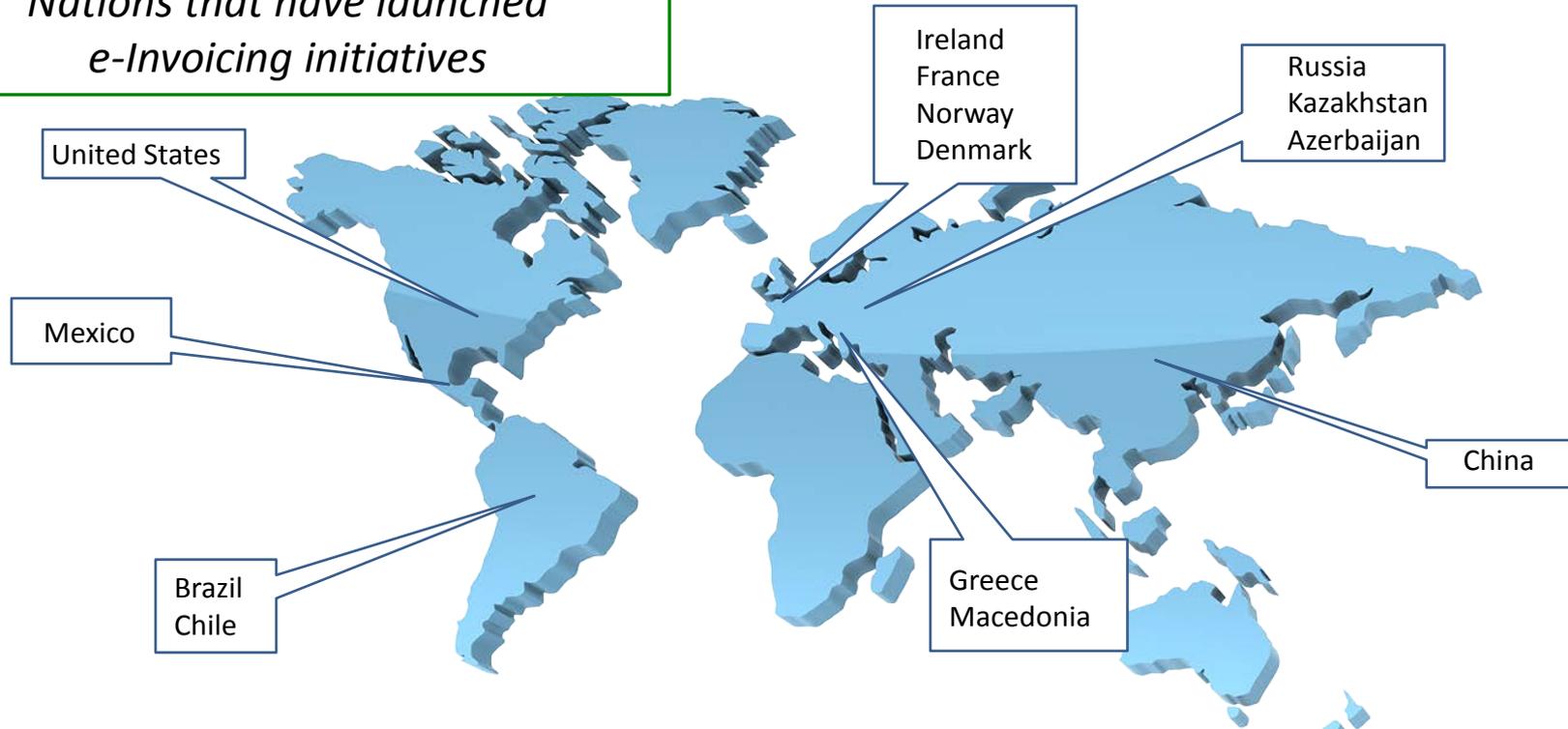
After – January 2014



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%

Electronic Invoicing

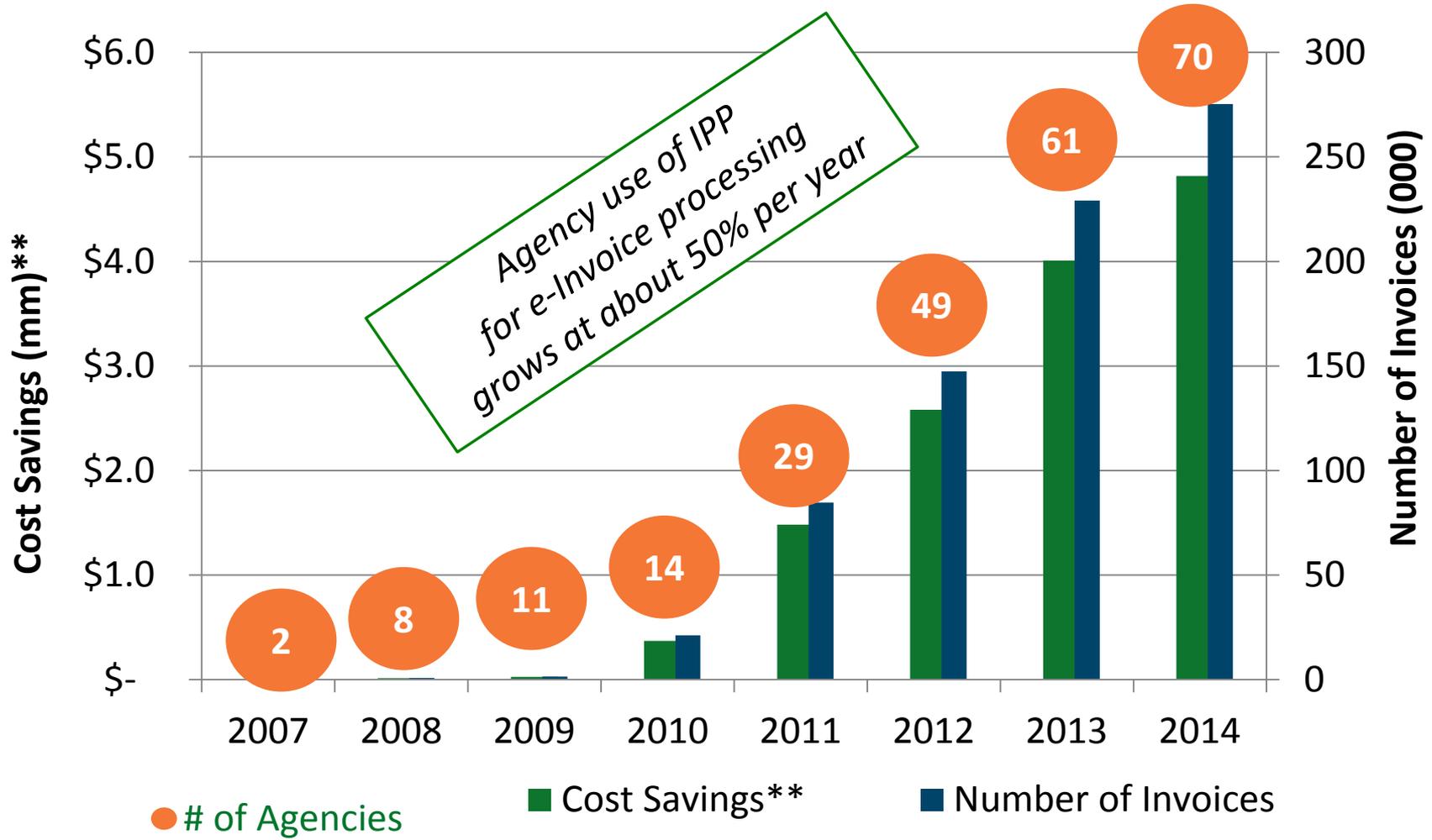
Nations that have launched e-Invoicing initiatives



“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

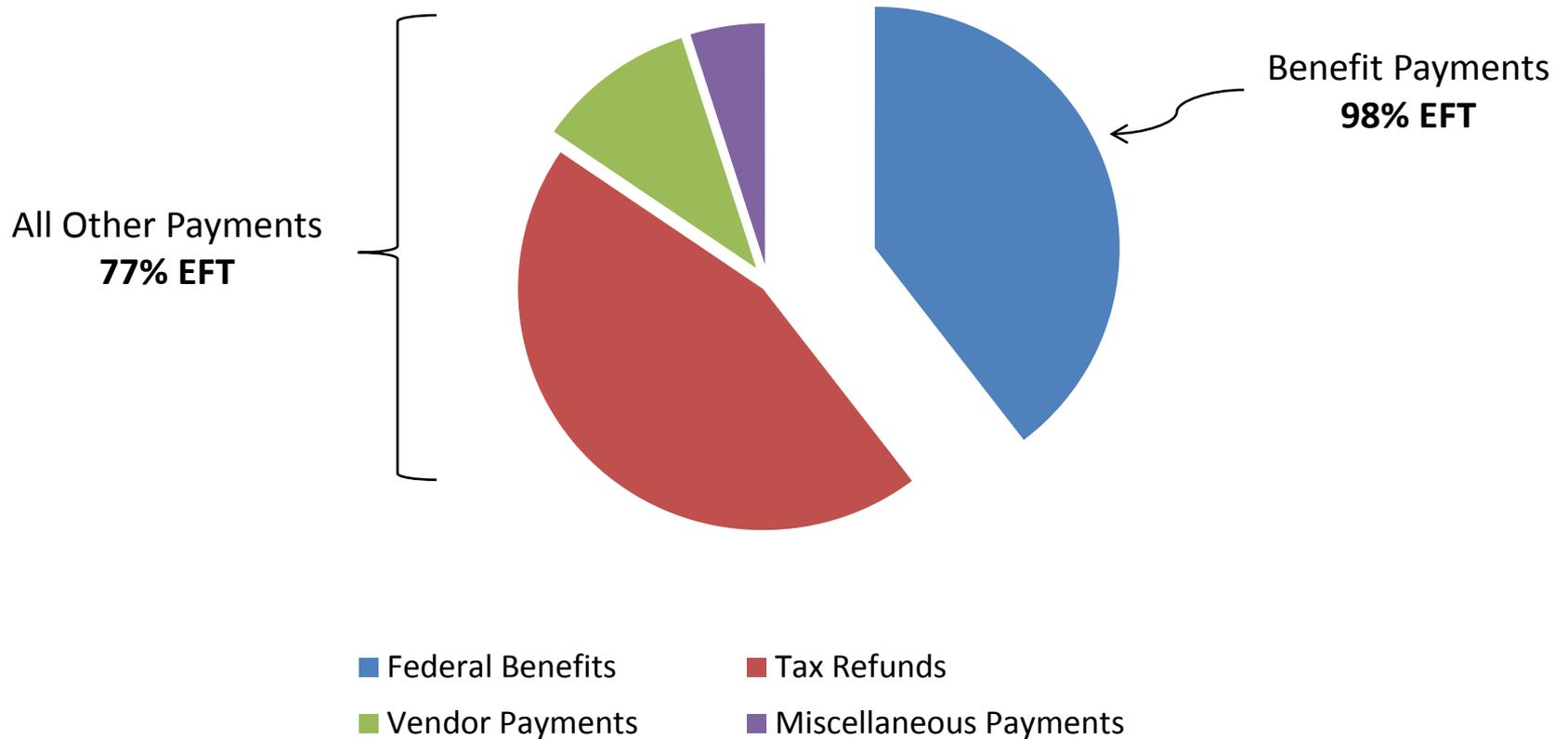
Electronic Invoicing



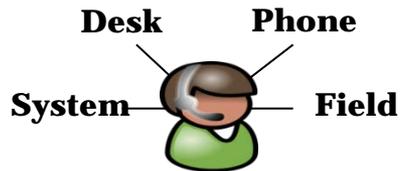
Non-Traditional Alternative Payments

Typical Monthly Check Production

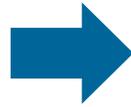
4.5 Million Checks – June 2014



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.

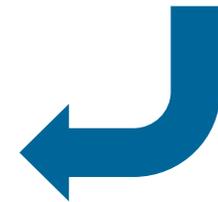
End User verifies their identity



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:

