

August 3, 2016

TO: State Directors  
Rural Development

ATTN: Community Program Directors

FROM: Tony Hernandez /s/ *Tony Hernandez*  
Administrator  
Housing and Community Facilities Program

SUBJECT: The U.S. Department of Treasury's Do Not Pay Portal  
Verifying Eligibility  
Community Programs

**PURPOSE/INTENDED OUTCOME:**

This Unnumbered Letter (UL) is being issued to provide uniform guidance and Agency interpretation on issues related to the implementation of the mandated use of the U.S. Department of Treasury's Do Not Pay (DNP) Portal.

**BACKGROUND:**

The Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) was implemented in an effort to expand the scope of data used to help reduce and eliminate improper payments. IPERIA codified the DNP Initiative, reinforcing the requirement for agencies to assess pre-award and prepayment procedures, and to ensure that a thorough review of available databases occurs to determine program or award eligibility, and to prevent improper payments and improper awards.

A Presidential Memorandum dated June 18, 2010 entitled, Enhancing Payment Accuracy Through a "Do Not Pay List", further directed agencies to review current pre-award and prepayment procedures to ensure that a thorough review of applicable databases occurs before

EXPIRATION DATE:  
August 31, 2017

FILING INSTRUCTIONS:  
Housing Program

Federal funds are released. The DNP application provides users with a single entry point for multiple data sources. Users have the option of performing searches by the use of three different methods: online single searches, batch matching, and continuous monitoring.

### **IMPLEMENTATION RESPONSIBILITIES:**

**Effective September 1, 2016, all authorized Community Programs (CP) field staff must utilize the Department of Treasury’s DNP system.** The Office of Management and Budget (OMB) has designated Treasury’s DNP system as the source of centralized data and analytic services to help verify eligibility, reduce payment errors and eliminate waste, fraud, and abuse in Federal programs. As stressed in the Presidential Memorandum dated June 18, 2010, “While identifying and recapturing improper payments is important, prevention of payment errors before they occur should be our first priority in protecting taxpayer resources from waste, fraud, and abuse.” The CP staff currently performs a number of verification checks at the receipt of an application (prepayment) and prior to disbursement of funds. The single entry point will allow users to access relevant data in the network of databases before determining eligibility for a benefit, grant or contract award, or other Federal funding. CP staff shall, before payment and award, identify specific data sources relevant to matching needs and perform eligibility checks against the following IPERIA mandated databases:

- Department of Housing and Urban Development’s (HUD) Credit Alert System or Credit Alert Interactive Voice Response System(CAIVRS);
- General Services Administration , System for Award Management (SAM) Entity Registration Records (formerly known as Central Contractor Registration), SAM Exclusion Records (EPLS);
- Social Security Administration’s Death Master File;
- Department of Health and Human Services List of Excluded Individuals/Entities. (Entities currently excluded from participation in federal healthcare programs, such as Medicare and Medicaid); and
- Department of Treasury’s Debt Check (non-tax debt owed to the federal government and delinquent child support).

Each State Office has designated a Loan Security Administrator (LSA) that is responsible for assisting users with successfully accessing Treasury’s DNP system. The LSA can provide field staff with an individual user enrollment form for submission to the Treasury. The “User Enrollment Guide” is a helpful reference which illustrates the steps a user will follow to gain access to the Do Not Pay Portal. All states must have designated authorized users and have completed the on-boarding process with the LSA’s assistance.

## **NAVIGATING THE DNP PORTAL:**

### **Users**

Once users are enrolled they will receive a series of emails from Treasury, which will include a request to review the rules of behavior. Users will also receive an email from Treasury including your reference number and authorization code. Treasury will provide users with a packet that will include your PKI token and instructions for logging into the system. Your agency IT staff will assist you with uploading the software to your computer. Authorized users should occasionally perform checks in the DNP portal to maintain access to the system. If your IT staff experiences issues with the software or user codes and passwords have expired, IT and/or staff should contact the DNP support center for assistance with technical issues at 1-855-837-4391. Users that no longer need access to the DNP portal should notify your state LSA when access should be terminated.

### **Credit Alert Verification Reporting System (CAIVRS)**

The HUD version of CAIVRS has now been integrated in the DNP portal. Presently the response received from CAIVRS does not reflect a confirmation number. This data currently is not feeding from HUD to the DNP portal. The response obtained from the DNP system will reflect that “there are no cases found for this borrower.” Treasury is working with HUD to correct this issue. The CP staff currently obtains the confirmation number as part of the eligibility requirements. Until this issue is resolved CP staff should continue to use the existing online CAIVRS system to obtain the confirmation number. CP staff should take a screen shot of the DNP results and maintain in file records. To print or save screen captures, the LSA can assist you with using the “snipping tool” for screen save/print. CP staff should also continue to input the data results (confirmation number) in the Community Programs Application Processing (CPAP) and Guaranteed Loan systems (GLS).

### **SYSTEM FOR AWARD MANAGEMENT (SAM):**

SAM consolidated the capabilities of the Central Contractor Registry (CCR), Online Representations & Certifications Application (ORCA), and Excluded Parties List System (EPLS). All entities records from these sources active or expired, were moved to SAM. CF staff when searching for data in SAM in DNP must select “details” to widen the screen in order to obtain the registration expiration date. Data results should be captured by a screen shot to be maintained in the file records and entered into CPAP and GLS.

### **DNP MATCHES/CONFLICTING RESULTS:**

Authorized users are required to perform verification checks in the DNP portal. In instances when a user receives negative results from the DNP portal and the results do not appear valid, users should perform checks utilizing the legacy systems. When in doubt CP staff should follow existing program regulations as it relates to eligibility. As Treasury continues to work with RD on resolving immediate issues, CP national office staff will take steps to ensure that program

regulations will include guidance on the use of the DNP portal and how to address matches captured through Treasury's DNP system.

### **TRAINING:**

There are a series of DNP Spotlight Training Sessions available for **only** DNP authorizing officials and agency users. Training sessions usually provide users with an introduction to DNP, user roles and responsibilities, and business rules. There is limited capacity so you must register to ensure a spot for the training sessions. The DNP Agency Support Team will email an invitation to authorized officials and users. At a minimum all LSA's should participate in the bi-monthly National Office DNP workgroup meetings with field staff to ensure the successful implementation of the DNP Initiative.

### **CONTACTS:**

CP field staff may contact the DNP Agency Support Team with onboarding and technical issues or other related concerns at 1-855-837-4391 or via email at [donotpay@stls.frb.org](mailto:donotpay@stls.frb.org). The National Office is also available to provide assistance. LSA's are encouraged to contact Ms. Anita Outen via email at [anita.ouden@wdc.usda.gov](mailto:anita.ouden@wdc.usda.gov), with any comments and/or concerns specific to using the DNP portal when determining eligibility in Community Programs.

The benefit of implementing Treasury's DNP system assures certainty that a payee is legitimate and eligible before making an award or payment. Please take the necessary steps to ensure compliance with OMB's requirements and that this tool is utilized to help verify eligibility and to mitigate or eliminate improper payments and improper awards.