

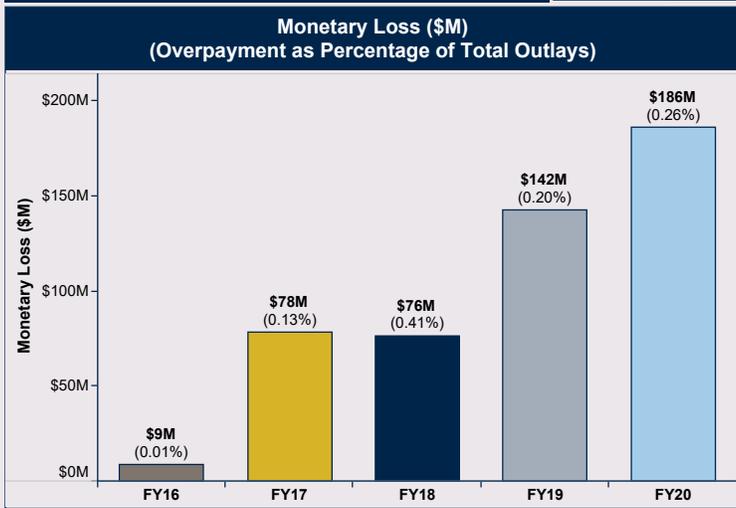
Payment Integrity Scorecard

Program or Activity Military Retirement	Reporting Period Q2 2021
---	------------------------------------

Change from Previous FY (\$M)	\$44M	
--------------------------------------	--------------	--

DOD
Military Retirement

Brief Program Description:
Retired and Annuitant Pay is responsible for payments of retired and annuity accounts, including account establishment, maintenance and termination.



Key Milestones	Status	ECD
1 Develop mitigation strategies to get the payment right the first time	Completed	Nov-20
2 Evaluate the ROI of the mitigation strategy	Completed	Nov-20
3 Determine which strategies have the best ROI to prevent cash loss	On-Track	Oct-21
4 Implement new mitigation strategies to prevent cash loss	Completed	Nov-20
5 Analyze results of implementing new strategies	On-Track	Oct-21
6 Achieved compliance with PIIA	On-Track	May-22
7 Identified any data needs for mitigation	On-Track	May-22

Goals towards Reducing Monetary Loss	Status	ECD
1 Q2 2021 Ongoing evaluation and training efforts for Annuity technicians affected by process change. R&A will conduct in depth case review in conjunction with ESS post reviews to ensure understanding by all parties involved in case processing and review.	On-Track	Jun-21
2 Q2 2021 Preparation for next phase occurring January 2022 via communication with interested parties about changes, dates and affects to annuity accounts. PMO team to meet with OSD in April 2021 about Optional Dependent aspect of phase out and its impacts.	On-Track	Dec-21

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Recovery Activity	The QPA review process allows to quickly identify erroneously processed overpayments. The post review process identifies errors after release, at which point the funds would be reclaimed. Most reclamations are automated through EFT recall requests.	R&A has an internal review process through the Quality Product Assurance (QPA) department consisting of random sampling reviews and pre-review of all one-time payments over \$2500 and post pay sampling reviews.
2 Recovery Activity	The death match run provides a method of notification for deceased payees and timely suspension of pay. Any payments made after the date of death are reclaimed.	R&A completes a systematic monthly death match review, bumping Retirees and Annuitants SSNs against the SSA death files.
3 Recovery Activity	DFAS has a well-established Risk Management framework called i-Control. Specifically, Military Retirement has 29 key internal controls and 26 unique controls to ensure proper execution and or subsequent recoupment of Military Retirement payments.	DoD Payment Recapture Audit and Recovery Activities (PRA) Plan

Accomplishments in Reducing Monetary Loss	Date
1 Cost Refund training completed March 2021 to continue successful implementation of Phase 1 of SBP/DIC offset.	Mar-21

Amt(\$)	Root Cause of Monetary Loss	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$186M	Administrative or process errors made by: federal agency	DFAS processes a cost refund after DIC establishment on the annuity account which is a labor intensive process for Annuity Pay. In addition, SBP portion of accounts established incorrectly due to failure to update account based on DD2656 data.	Internal Process or Policy Change	The automation efforts will reduce the number of technician input errors and allow more focus on the research of the annuity account. Phase out of cost refund will decrease workload over time until none remain.

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.