
Payment Recapture Audits



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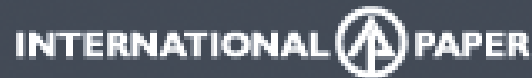
What we are going to do

- I'm going to tell you:
 - Who I am
 - What a Recapture Audit is
 - What the history of this program is
 - Why it's being done now
 - What it means to you
 - What you should do about it
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Corporate Overview

- Founded in 1998
 - Based in Raleigh NC
 - Technology company
 - Compliance Solutions
 - Data Integration and Analytics
 - Commercial Sector
 - Public Sector
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Customers



What is a Recapture Audit

- ❑ In late 2009 and early 2010 President Obama signed legislation (EO 13520) designed to reduce improper payments to federal contractors.
 - ❑ Recapture Audit = process of identifying improper payments paid to contractors.
 - ❑ Improper Payment = duplicate payments for services not rendered, overpayments, and fictitious/improper vendors
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Recapture Audit Cont.

- Independent specialized auditors are allowed to audit federal contractors on a contingency basis with compensation tied to the identification of misspent funds.
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History

- The strategy is based on a pilot program that was done in CA, TX and NY which saved \$900M
 - The federal agencies estimate FY2009 improper payments of \$98B to contractors, grantees and other recipients of federal funds
 - Recapture audits are expected to capture \$2B over a 2 year period
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Why now?

- ❑ The feds are broke
 - ❑ There is a renewed focus on compliance
 - ❑ Many expect this focus to last for a while
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What it means to you

- ❑ Contractors operating in areas of high risk for non-compliance like health care and large contracts with many subcontractors should invest more resources in their compliance efforts.
 - ❑ Contractors should work with their compliance team to develop risk-mitigation strategies.
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What should you do?

- Make others look more attractive to auditors
 - Pay more attention to contract compliance
 - Pay more attention to the background of your sub-contractors
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Debarment Facts

- ❑ Government can Debar/Suspend any individual or company
- ❑ You do not have to be convicted of a crime
- ❑ Over 70,000 companies are currently debarred
- ❑ Violation of immigration laws is a major reason for debarment
- ❑ **YOU** can be debarred for using debarred subcontractors

Our solution **VCA**

- ❑ Vendor Compliance Assurance (VCA)
 - ❑ Is a technology based service
 - ❑ Designed to give you piece of mind
 - ❑ Monitors both companies and individuals
 - ❑ Monitors both foreign and domestic concerns
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How VCA keeps you safe

- We aggregate data from all of the known debarment sites
 - We keep our database current
 - We compare your supplier list to our database
 - VCA produces a monthly report of all suspects
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