

United States Government Accountability Office Washington, DC 20548

March 25, 2011

The Honorable Thomas R. Carper
Chairman
The Honorable Scott Brown
Ranking Member
Subcommittee on Federal Financial Management, Government Information,
Federal Services, and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable John McCain United States Senate

Subject: Status of Fiscal Year 2010 Federal Improper Payments Reporting

Our work over the past several years has highlighted long-standing, widespread, and significant problems with improper payments in the federal government. Fiscal year 2010 marked the seventh year of implementation of the Improper Payments Information Act of 2002 (IPIA), which requires executive branch agencies to annually review all programs and activities to identify those that are susceptible to significant improper payments, estimate the annual amount of improper payments for such programs and activities, report these estimates, and report on actions taken to reduce any improper payment estimates that exceed \$10 million. On July 22, 2010, the Improper Payments Elimination and Recovery Act of 2010 (IPERA) was enacted. IPERA amended IPIA by expanding on the previous requirements for identifying, estimating, and reporting on programs and activities susceptible to significant improper payments and to expand requirements for recovering overpayments across

³IPIA defines an improper payment as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. It includes any payment to an ineligible recipient, any payment for an ineligible service, any duplicate payment, payment for services not received, and any payment that does not account for credit for applicable discounts. OMB's guidance also instructs agencies to report payments for which insufficient or no documentation was found as improper payments.

⁴Pub. L. No. 111-204, 124 Stat. 2224 (July 22, 2010).

¹See related GAO products page.

²Pub. L. No. 107-300, 116 Stat. 2350 (Nov. 26, 2002).

a broad range of federal programs. IPERA provisions related to identifying, estimating, and reporting on improper payments generally become effective in fiscal year 2011.

For fiscal year 2010, federal agencies reported an estimated \$125.4 billion in improper payments, an increase of about \$16 billion over the fiscal year 2009 estimate of \$109.2 billion.⁵ In light of the increase in improper payment estimates, you requested that we provide you with more detailed information on the reported amounts of estimated improper payments. Accordingly, this report summarizes available fiscal year 2010 improper payment information reported by federal executive branch agencies and the actions they reported taking to help reduce improper payments. We also summarized actions taken by the executive branch and Congress during fiscal year 2010 intended to improve transparency over, accountability for, and reduction of improper payments. Our scope included the 24 Chief Financial Officers Act⁶ agencies and 11 other entities that are significant to the 2010 Financial Report of the United States Government. In conducting our work, we obtained 31⁷ federal agency fiscal year 2010 performance and accountability reports (PAR), agency financial reports (AFR), or annual reports to identify and aggregate the reported improper payment information. We did not independently validate the data reported in these agencies' PARs, AFRs, and annual reports. However, consistent with our reporting objective to summarize improper payment information, we are providing agency-reported data as descriptive information that will inform interested parties about the relative magnitude of governmentwide improper payments and other improper payment-related information. We provided a draft of this report to the Office of Management and Budget (OMB) for its review and comment on March 18, 2011. OMB officials, including the Deputy Controller, Office of Federal Financial Management, provided oral technical comments that we incorporated as appropriate.

We conducted our work from February 2011 to March 2011 in accordance with all sections of GAO's Quality Assurance Framework that were relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions.

⁵In their fiscal year 2010 performance and accountability reports and agency financial reports, select federal entities updated their fiscal year 2009 improper payment estimates to reflect changes since issuance of their fiscal year 2009 performance and accountability reports and agency financial reports. These updates increased the governmentwide improper payment estimate for fiscal year 2009 from \$98.7 billion to \$109.2 billion.

⁶See 31 U.S.C. § 901.

⁷We did not obtain PARs, AFRs, or annual reports for the following 4 of the 35 agencies subject to improper payments reporting because these agencies had not issued their reports as of February 1, 2011: the Farm Credit System Insurance Corporation, Federal Deposit Insurance Corporation, National Credit Union Administration, and Smithsonian Institution.

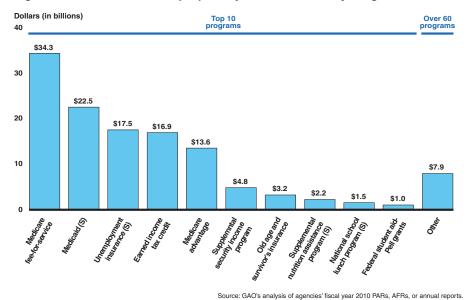
Fiscal Year 2010 Estimated Improper Payments Reporting by Federal Agencies

Federal agencies reported improper payments of an estimated \$125.4 billion in fiscal year 2010. This estimate represents about 5.5 percent of the \$2.3 trillion of reported outlays for the related programs in fiscal year 2010. The \$125.4 billion estimate is an increase of \$16.2 billion from federal agencies' prior year estimate of \$109.2 billion. Estimated improper payment amounts for both of these years may include estimates based on prior years' data, if current reporting year data was not available, as allowed by OMB guidance. Increases in the estimated amounts of improper payments reported for fiscal year 2010 were primarily attributable to increases in estimates related to four major programs: (1) Department of Labor's Unemployment Insurance program, (2) Department of the Treasury's Earned Income Tax Credit program, (3) Department of Health and Human Services' (HHS) Medicaid program, and (4) HHS's Medicare Advantage program. The increases in the estimates for these programs primarily related to an increase in reported program outlays in those programs. That was the case for the Medicaid and Medicare Advantage programs even though these 2 programs reported lower error rates.8 For Unemployment Insurance and Earned Income Tax Credit programs, both reported program outlays and error rates were higher for these programs when compared to fiscal year 2009 amounts.

Of the 31 agencies for which we obtained their PAR, AFR, or annual report, the \$125.4 billion estimate of improper payments federal agencies reported in fiscal year 2010 comes from over 70 programs spread among 20 federal agencies. A majority of the \$125.4 billion of reported improper payments is accounted for by 10 programs, as shown in figure 1. Specifically, the 10 programs account for about \$118 billion or 94 percent of the total estimated improper payments reported for fiscal year 2010.

⁸Reported error rates reflect the estimated improper payments as a percentage of total program outlays.

Figure 1: Fiscal Year 2010 Improper Payment Estimates by Program



S State-administered

Since the implementation of IPIA in 2004, federal agencies have consistently identified new programs or activities as risk-susceptible and reported estimated improper payment amounts. In fiscal year 2010, two programs were newly identified as being susceptible to significant improper payments. Specifically, the Department of Homeland Security identified the Customs and Border Protection-Border Security Fencing and Federal Emergency Management Agency—Grants-Transit Security Grants programs as risk-susceptible for the first time and reported on estimated improper payment amounts for those programs.

While total reported improper payment estimated amounts increased for fiscal year 2010, there were a number of federal agencies that reported reducing improper payments and payment error rates in their programs and activities during fiscal year 2010. Forty federal agency programs, or about 53 percent of the total programs reporting improper payment estimates in fiscal year 2010, reported a reduction in the rate of estimated improper payments in fiscal year 2010 when compared to fiscal year 2009 rates. Thirty-three federal programs reported a reduction in the estimated amount of improper payments. For example, the following agencies reported reductions in error rates and estimated improper payment amounts along with corrective actions to reduce improper payments in their fiscal year 2010 PARs, AFRs, or annual reports.

• HHS reported that the fiscal year 2010 Head Start program's estimated improper payment amounts decreased from the fiscal year 2009 amount of \$213 million to \$123 million, which represents a decrease in the error rate of 1.3 percentage points to a 1.7 percent error rate. HHS reported that it reduced

⁹For purposes of conducting a risk assessment in fiscal year 2010, OMB defined the term significant improper payments under IPIA as exceeding both 2.5 percent of program payments and \$10 million. IPERA sets forth specific criteria to define the term significant for future fiscal years.

payment errors by issuing additional guidance for employees on verifying income eligibility and a standard template form to help guide grantees in the enrollment process.

- The U.S. Department of Agriculture (USDA) reported that the fiscal year 2010 estimated improper payment amount for the Marketing Assistance Loan program decreased from the fiscal year 2009 reported amount of \$85 million to \$35 million, which represents a decrease in the error rate of 1.75 percentage points to a .81 error rate. In its fiscal year 2010 PAR, USDA reported that corrective actions taken to reduce improper payments included providing additional training and instruction on improper payment control procedures, and integrating employees' individual performance results related to reducing improper payments into annual performance ratings.
- The Department of Veterans Affairs (VA) reported that its Pension program's fiscal year 2010 estimated improper payment amount decreased from the fiscal year 2009 reported amount of \$425 million to \$356 million, which represents a decrease in the error rate of 3.07 percentage points to a 8.17 percent error rate. VA reported that actions to reduce improper payments for this program included consolidating pension maintenance workload to pension management centers and focusing training in pension processing.

Enclosure 1 provides a list of improper payment estimated amounts and error rates for 35 federal agencies (covering 111 programs) for fiscal years 2009 and 31 federal agencies for fiscal year 2010.

Federal agencies' fiscal year 2010 reporting was not always complete. In particular, for fiscal year 2010, some agencies did not report (1) estimates for all risk-susceptible programs; and (2) causes for improper payments. In addition, as part of their financial statement audits, one auditor, out of the 31 audit reports we obtained, reported an agency was not in full compliance with IPIA in its report on compliance with certain provisions of laws and regulations.

Specifically, not all agencies reported on estimated improper payment amounts for all programs and activities they identified as susceptible to significant improper payments. As shown in table 1, three agencies did not report estimated improper payment amounts for fiscal year 2010 for seven risk-susceptible programs. The total program outlays for these seven programs are not readily available because four programs did not report program outlays in their PARs, AFRs, or annual reports.

Table 1: Risk-Susceptible Programs for which the Agency Did Not Report Improper Payment Estimates for Fiscal Year 2010

	Agency—program	Fiscal year 2010 outlays (dollars in billions)	Target date for reporting improper payment estimate
1	Department of Education—Federal Family Education Loan Program	Not reported	Did not report target date
2	Department of Health and Human Services—Temporary Assistance for Needy Families	17.3	Did not report target date
3	Department of Health and Human Services—Medicare Prescription Drug Benefit	58.8	2011
4	Department of Health and Human Services—Children's Health Insurance Program	8.9	2012
5	Federal Communications Commission—High-Cost Support Program	Not reported	2011
6	Federal Communications Commission—Low-Income Program	Not reported	2011
7	Federal Communications Commission—Schools and Libraries	Not reported	2011

Source: GAO analysis of agencies' fiscal year 2010 PARs, AFRs, or annual reports.

While none of the above 7 programs reported an improper payment estimated amount in fiscal year 2010, all but one—Medicare Prescription Drug Benefit program—reported an improper payment estimated amount two fiscal years ago. In one example, a federal agency's fiscal year 2010 reporting cited various statutory barriers that hindered it from reporting improper payment estimated amounts. Specifically, HHS cited statutory limitations for its state-administered ¹⁰ Temporary Assistance for Needy Families (TANF) program which prohibited it from requiring states to participate in developing an improper payment estimate for the TANF program. Despite these limitations, HHS officials stated that they will continue to work with states and explore options to allow for future estimates for the program. In another one of its programs, HHS cited the Children's Health Insurance Program Reauthorization Act of 2009¹¹ as prohibiting HHS from calculating or publishing any national or state-specific payment error rates for the Children's Health Insurance Program (CHIP) until 6 months after the new payment error rate measurement final rule became effective on September 10, 2010. According to its fiscal year 2010 agency financial report, HHS plans to begin estimating improper payment amounts for CHIP in fiscal year 2011 and will report this information in fiscal year 2012.

¹⁰The term state-administered refers to federal programs that are managed on a day-to-day basis at the state level to carry out program objectives.

¹¹Pub. L. No. 111-3, 123 Stat. 8 (Feb. 4, 2009).

Fiscal year 2010 reports for two agencies did not include causes of improper payments for two programs whose estimated amounts exceeded the \$10 million threshold. Nonetheless, the agencies reported corrective actions for these programs. In the first case, while it did not identify a cause, Education stated that it implemented a new data retrieval process for its Pell Grant program to help reduce the occurrence of improper payments. Education also stated that it plans to explore ways to facilitate the detection of errors based on results of statistical studies. In the other instance, while it did not specify a cause, the Small Business Administration (SBA) stated that it conducts detailed background investigations and credit checks on all potential fund managers and requires them to undergo training on regulations for its Small Business Investment Center (SBIC) program to reduce the likelihood of program errors and fraud in the SBIC program.

Further, one agency auditor, out of the 31 audit reports we obtained, identified compliance issues with IPIA and IPERA as part of its fiscal year 2010 financial statement audit. Specifically, HHS's independent auditor reported that HHS was not in full compliance with requirements of the acts. While HHS estimated an annual amount of improper payments for some of its programs, it did not report an improper payment estimate for all of its risk-susceptible programs—a key requirement of IPIA—for fiscal year 2010. Fiscal year 2010 marked the seventh consecutive year that auditors for HHS reported noncompliance issues with IPIA.

Recent Updates to Laws and Policies Related to Reporting and Reducing Improper Payments

During fiscal year 2010, a number of changes and initiatives were put in place that are intended to strengthen the framework for reducing and reporting improper payments. First, in November 2009, the President issued Executive Order 13520, *Reducing Improper Payments*. This order was intended to focus on increasing transparency and accountability for reducing improper payments, and creating incentives for reducing improper payments. Under the Executive Order, OMB established a Web site (www.PaymentAccuracy.gov) and designated 14 high-error programs to focus attention on the programs that significantly contribute to the federal government's improper payments. ¹² The Web site provides information on the programs' senior accountable officials responsible for efforts to reduce improper payments; current, targeted, and historical estimated rates of improper payments; why improper payments occur in the programs; and what federal agencies are doing to reduce improper payments and recover overpayments. The President also issued two memoranda in March and June 2010, intended to expand agency efforts to recapture

¹²The 14 high-error programs designated by OMB for fiscal year 2010 are: Medicare Fee-for-Service; Medicaid; Unemployment Insurance; Medicare Advantage; Supplemental Security Income; Retirement, Survivors, and Disability Insurance; Supplemental Nutrition Assistance Program; National School Lunch Program; Rental Housing Assistance Programs; Federal-Aid Highway Program, Highway Planning and Construction; Children's Health Insurance Program; Earned Income Tax Credit; High Cost Program of the Universal Service Fund; and Medicare Prescription Drug Benefit. The Children's Health Insurance Program, High Cost Program of the Universal Service Fund, and Medicare Prescription Drug Benefit programs did not report improper payment error rates and amounts for fiscal year 2010.

improper overpayments using payment recapture audits, ¹³ and directed that a Do Not Pay List be established to help prevent improper payments to ineligible recipients, respectively. In addition, in 2010, the President set goals, as part of the Accountable Government Initiative, for federal agencies to reduce overall improper payments by \$50 billion, and recapture at least \$2 billion in improper contract payments and overpayments to health providers, by the end of fiscal year 2012.

In July 2010, Congress passed, and the President signed, IPERA to enhance reporting and reduction of improper payments. In addition to amending the IPIA improper payment estimation requirements, IPERA establishes additional requirements related to federal agency management accountability, recovery auditing, and compliance and noncompliance determinations and reporting. 14 For example, regarding management accountability, IPERA requires agency managers, programs, and, where appropriate, states and localities, to be held accountable for achieving the law's goals. This includes management's use of the annual performance appraisal process to assess whether improper payment reduction targets were met and sufficient internal controls were established and maintained. In addition, IPERA included a new, broader requirement for agencies to conduct recovery audits, where cost-effective, for each program and activity with at least \$1 million in annual program outlays. This IPERA provision significantly reduces the threshold requirement for conducting recovery audits from \$500 million to \$1 million and expands the scope for required recovery audits to all programs and activities whereas previously the focus was on contract payments. Another new IPERA provision calls for federal agencies' inspectors general to annually determine whether their respective agencies are in compliance with certain IPERA requirements and to report on their determinations. Such required independent assessments enhance an agency's ability to identify sound performance measures, monitor progress against those measures, and help establish performance and results expectations.

Concluding Observations

In light of today's fiscal environment, the need to ensure that federal dollars are spent as intended is critical. Establishing effective accountability measures to prevent and reduce improper payments, and to recover overpayments, becomes an even higher priority. In this regard, identifying and analyzing causes of improper payments will be key to developing effective corrective actions in order to move to the next phase of reducing and preventing improper payments in the federal government. However, measuring improper payments and designing and implementing actions to reduce and prevent them are not simple tasks. The ultimate success of the governmentwide effort to prevent or reduce improper payments hinges on the level of importance the agencies and the administration place on implementing the requirements established by IPERA, the Executive Order, and other guidance.

¹³Payment recapture audits, also called recovery audits, are conducted to identify and reclaim payments made in error.

¹⁴IPERA also modified the definition of the terms improper payments, payments, and payment for an ineligible good or service.

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As agreed with your office, unless you publicly release this report, we plan no further distribution of it until 30 days from the date of this report. At that time, we will send copies of this report to the Director, Office of Management and Budget; appropriate congressional committees; and other interested parties. We will also make copies available at no charge on GAO's Web site at http://www.gao.gov.

If you or your staff members have any questions, please contact me at (202) 512-9312 or dalykl@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributions to this report were Sabrina Springfield, Assistant Director; Shirley Abel; Liliam Coronado; Nicole Dow; Vanessa Estevez; Crystal Lazcano; Chelsea Lounsbury; Kerry Porter; Debra Rucker; and Danietta Williams.

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Enclosure

Enclosure

Improper Payment Estimates and Error Rates Reported in Agencies' Fiscal Years 2009 and 2010 Performance Accountability Reports, Agency Financial Reports, or Annual Reports

	Department or			Fiscal year 2010 total estimate (dollars in	Fiscal year 2010 error rate	Fiscal year 2009 total estimate (dollars in	Fiscal year 2009 error rate
	agency		Program or activity	millions)	(percentage)	millions)	(percentage)
1	Agency for International Development		Agencywide total	\$32.0		\$38.0	
	·	1	Program areas	32.0	0.2	38.0	0.3
2	Department of Agriculture		Agencywide total	\$5,040.5		\$4,282.0	
		2	Child and Adult Care Food Program	9.0	1.0	15.0	2.1
		3	Conservation Reserve Program	24.0	1.2	11.0	0.7
		4	Farm Security and Rural Investment	6.0	0.4	0.0 ^b	0.0°
		5	Direct and Counter-Cyclical Payments	56.0	1.0	20.0	0.4
		6	Federal Crop Insurance Corporation Program Fund	525.0	6.1	205.0	5.8
		7	Loan Deficiency Payments	0.5	0.4	0.0 ^h	0.0 ^h
		8	Marketing Assistance Loan Program	35.0	0.8	85.0	2.6
		9	Milk Income Loss Contract Program	5.0	0.7	0.0 ^h	0.0 ^h
		10	Miscellaneous Disaster Programs	5.0	4.6	19.0	0.9
		11	National School Lunch Program	1,453.0	16.3	1,551.0	16.4
		12	Noninsured Assistance Program	7.0	11.7	8.0	14.2
		13	Rental Assistance Program	14.0	1.4	18.0	2.1
		14	School Breakfast Program	630.0	24.9	560.0	24.6
		15	Special Supplemental Nutrition Program for Women, Infants, and Children (previously Women, Infants and Children)	76.0	1.2	57.0	1.3
		16	Supplemental Nutrition Assistance Program (previously Food Stamp Program)	2,195.0	4.4	1,733.0	5.0
		17	Wildland Fire Suppression Management	0.0 ^b	0.0 ^b	0.0 ^b	0.0 ^b
3	Department of Commerced	17	Agencywide total	\$0.0		\$0.0	
		18	All programs and activities	0.0	0.0	0.0	0.0
4	Department of Defense		Agencywide total	\$1,069.8		\$659.6	
		19	Civilian Pay	81.2	0.3	94.6	0.3
		20	Military Health Benefits	249.6	2.0	49.1°	0.4 ^e

	Department or agency		Program or activity	Fiscal year 2010 total estimate (dollars in millions)	Fiscal year 2010 error rate (percentage)	Fiscal year 2009 total estimate (dollars in millions)	Fiscal year 2009 error rate (percentage)
	agency	21	Military Pay	505.9	0.6	406.5	0.5
	-	22	Military Retirement Fund	58.5	0.1	49.5	0.1
	-	23	Travel Pay	174.6	1.9	59.9	1.0
5	Department of Education	20	Agencywide total	\$1,009.7		\$599.0	<u> </u>
		24	Federal Student Aid Federal Family Education Loan	0.0 ^j	0.0 ^j	0.0 ^j	0.0
	•	25	Federal Student AidPell Grants	1,005.0	3.1	570.0	3.5
	-	26	Title I	4.7	0.0°	29.0	0.2
	•	27	Non-Federal Student Aid Grant Programs	0.0 ^h	0.0 ^h	0.0 ^h	0.0 ^h
6	Department of Energy		Agencywide total	\$11.1		\$14.1	
		28	Payment programs	11.1	0.0°	14.1	0.1
7	Environmental Protection Agency		Agencywide total	\$1.8		\$1.1	
	3* ·, _	29	Clean Water State Revolving Funds	1.8	0.0°	1.1°	0.1 ^e
	-	29	Drinking Water State Revolving Funds	0.0ª	0.0ª	0.0ª	0.0ª
8	Export-Import Bank of the United States ^d		Agencywide total	\$0.0		\$0.0	
		30	All programs and activities	0.0	0.0	0.0	0.0
9	Farm Credit System Insurance Corporation		Agencywide total	\$0.0		\$0.0	
	•	31	All programs and activities	0.0 ^g	0.0 ^g	0.0 ^f	0.0 ^f
10	Federal Communications Commission		Agencywide total	\$0.0		\$0.0	
		32	Universal Service Fund High-Cost Program	0.0	0.0	0.0 ^j	0.0 ^j
	_	33	Universal Service Fund Low-Income Program	0.0	0.0	0.0 ^j	0.0 ⁱ
		34	Universal Service Fund Schools and Libraries	0.0	0.0	0.0 ^j	0.0
11	Federal Deposit Insurance Corporation		Agencywide total	\$0.0		\$0.0	
		35	All programs and activities	0.0 ⁹	0.0 ⁹	0.0 ^f	0.0 ^f
12	General Services Administration		Agencywide total	\$0.0		\$48.9	
	•	36	All programs and activities	0.0 ^d	0.0 ^d	48.9	0.3
13	Department of Health and Human Services		Agencywide total	\$71,405.7		\$66,398.1	
	. Idinan odivides	37	Child Care and Development Fund	810.0	13.3	624.0	11.9

	Department or agency		Program or activity	Fiscal year 2010 total estimate (dollars in millions)	Fiscal year 2010 error rate (percentage)	Fiscal year 2009 total estimate (dollars in millions)	Fiscal year 2009 error rate (percentage)
	gooy		Children's Health Insurance	0.0	0.0	0.0 ^j	0.0
		38	Program	70.7	4.0	75.7	4.7
		39	Foster Care	72.7	4.9	75.7	4.7
		40	Head Start	123.0	1.7	213.4	3.0
		41	Medicaid	22,500.0	9.4	18,075.0	9.6
		42	Medicare Advantage	13,600.0	14.1	12,010.0	15.4
		43	Medicare Fee-for-Service	34,300.0	10.5	35,400.0°	12.4°
		44	Medicare Prescription Drug Benefit	0.0	0.0 ⁱ	0.0 ^j	0.0 ^j
		45	Temporary Assistance for Needy Families	0.0 ^j	0.0 ^j	0.0 ^j	0.0 ^j
14	Department of Homeland Security	- +5	Agencywide total	\$188.0		\$224.0	
	·		Customs and Border ProtectionBorder Security	0.0 ^b	0.0°	0.0 ^b	0.0°
		46	Fencing				
			Customs and Border ProtectionCustodial- Continued Dumping & Subsidy Offset Act & Payments to Wool	0.0 ^k	0.0 ^k	0.0 ^j	0.0
		47	Manufacturers Customs and Border ProtectionCustodial-	2.0	0.2	3.0°	0.2°
		48	Refund & Drawback				
		40	Federal Emergency Management Agency Disaster Relief Program- Individuals and Households	11.0	1.3	23.0°	2.7°
		49	Program Federal Emergency Management Agency- Disaster Relief Program-	42.0	3.0	46.0°	3.3°
		<u>50</u> 51	Vendor Payments Federal Emergency Management Agency Grants-Assistance to Firefighters Grants	19.0	4.3	27.0°	6.3°
		52	Federal Emergency Management Agency- Grants-Homeland Security Grant Program	29.0	2.0	29.0°	2.2°
			Federal Emergency Management Agency Grants-Infrastructure	0.0 ^h	0.0 ^h	0.0 ^h	0.0 ^h
		53	Protection Program Federal Emergency Management Agency- Grants-Public Assistance	10.0	0.2	11.0°	0.2°
		<u>54</u> 55	Programs Federal Emergency Management Agency Grants-Transit Security Grants Program	0.0 b	0.1	0.0 ^b	0.1

	Department or agency		Program or activity	Fiscal year 2010 total estimate (dollars in millions)	Fiscal year 2010 error rate (percentage)	Fiscal year 2009 total estimate (dollars in millions)	Fiscal year 2009 error rate (percentage)
	agency		Federal Emergency	66.0	2.0	73.0°	2.2°
			Management Agency Insurance-National Flood	00.0	2.0	7 0.0	
		56	Insurance Program				
		57	Immigration and Customs EnforcementDetention and Removal Operations	4.0	0.3	7.0°	0.5 ^e
		57	Immigration and Customs EnforcementFederal	1.0	0.1	1.0°	0.1 ^e
		58	Protective Service				
		59	Immigration and Customs EnforcementInvestigations	0.0 ^k	0.0 ^k	0.0 ^j	0.0 ^j
		- 59	Transportation Security	0.0 ^b	0.0 ^b	0.0 ^b	0.0 ^b
			AdministrationAviation	0.0	0.0	0.0	0.0
		60	Security-Payroll United States Coast Guard	4.0	0.1	4.0°	0.1°
		61	Active Duty Military Payroll	4.0	0.1	4.0	0.1
			United States Coast Guard	0.0 ^k	0.0 ^k	0.0 ^j	0.0 ^j
			Acquisition, Construction & Improvements-Contract				
		62	Payments				
			United States Coast Guard Operating Expenses-	0.0 ^k	0.0 ^k	0.0 ⁱ	0.0 ^j
4.5	<u> </u>	63	Contract Payments	****			
15	Department of Housing and Urban Development		Agencywide total	\$924.6		\$1,021.7	
	Бечеюртет		Community Development Block Grant (Entitlement	0.0 ^k	0.0 ^k	0.0 ^k	0.0 ^k
		64	Grants, States/Small Cities) Low Income Public Housing	0.0 ^j	0.0 ^j	0.0 ^j	0.0 ^j
		65	Section 8Project Based	362.8	1.2	388.9	1.3
		66	Section 8Tenant Based	561.8	1.2	632.8	2.2
16	Department of	67	Agencywide total	\$0.0	1.9	\$0.0	2.2
	the Interior ^d		All programs and activities	0.0	0.0	0.0	0.0
17	Department of Justice ^d	68	Agencywide total	\$0.0	0.0	\$ 0.0	0.0
	dudiloc	69	All programs and activities	0.0	0.0	0.0	0.0
18	Department of Labor	- 00	Agencywide total	\$17,483.8		\$12,291.6	
		70	Federal Employees' Compensation Act	0.0 ^k	0.0 ^k	0.0 ^k	0.0 ^k
		71	Unemployment Insurance	17,472.0	11.2	12,283.0	10.3
		72	Workforce Investment Act	11.8	0.2	8.6	0.2
19	National Aeronautics and Space		Agencywide total	\$7.7		\$0.8	
	Administration	73	Payment programs	7.7	0.2	0.8	0.0°
		7.0	7 - 1 - 3·-····				

	Department or agency		Program or activity	Fiscal year 2010 total estimate (dollars in millions)	Fiscal year 2010 error rate (percentage)	Fiscal year 2009 total estimate (dollars in millions)	Fiscal year 2009 error rate (percentage)
20	National Credit Union Administration		Agencywide total	\$0.0	u V	\$0.0	- N
		74	All programs and activities	0.0 ^g	0.0 ^g	0.0 ^d	0.0 ^d
21	National Science Foundation		Agencywide total	\$0.0		\$0.0	
		75	Research and Education Grants and Cooperative Agreements	0.0 ^k	0.0 ^k	0.0 ^d	0.0 ^d
22	Nuclear Regulatory Commission ^d	73	Agencywide total	\$0.0		\$0.0	
		76	All programs and activities	0.0	0.0	0.0	0.0
23	Office of Personnel Management		Agencywide total	\$307.5		\$353.0	
	J	77	Background Investigations Program	9.5	1.4	28.1	6.0
		78	Federal Employees Group Life Insurance	1.0	0.0°	0.9	0.0°
		79	Federal Employees Health Benefits Program	59.4	0.2	112.3	0.3
		80	Retirement Program (Civil Service Retirement System and Federal Employees Retirement System)	237.6	0.4	211.7	0.3
24	Pension Benefit Guaranty Corporation ^d		Agencywide total	\$0.0		\$0.0	
		81	All programs and activities	0.0	0.0	0.0	0.0
25	United States Postal Service		Agencywide total	\$0.0		\$0.0	
		82	All programs and activities	0.0 ^t	0.0 ^t	0.0 ^t	0.0 ^f
26	Railroad Retirement Board		Agencywide total	\$75.1		\$73.1	
		83	Railroad Unemployment Insurance Benefits	0.0 ^k	0.0 ^k	0.0 ^k	0.0 ^k
		84	Retirement and Survivor Benefits	75.1	0.7	73.1°	0.7°
27	Securities and Exchange Commission ^d		Agencywide total	\$0.0		\$0.0	
		85	Disgorgements and Penalties	0.0	0.0	0.0	0.0
		86	Operational Vendor Payments	0.0	0.0	0.0	0.0
28	Small Business Administration		Agencywide total	\$186.5		\$257.7	
		87	504 Certified Development Companies (Debentures)	0.0 ^b	0.0 ^b	0.0 ^b	0.0 ^b
		88	504 Certified Development Companies (Guaranties)	0.0 ^b	0.0 ^b	0.0 ^b	0.0 ^b

	Department or			Fiscal year 2010 total estimate (dollars in	Fiscal year 2010 error rate	Fiscal year 2009 total estimate (dollars in	Fiscal year 2009 error rate
	agency		Program or activity	millions)	(percentage)	millions)	(percentage)
		89	7(a) Business Loan Program (Guaranty Purchases)	44.8	1.9	68.8	3.8
		90	7(a) Business Loan Program (Guaranty Approvals)	0.0 ^b	0.0 ^b	0.0 ^b	0.0 ^b
		91	Disaster Loan Approvals	127.1	34.2	168.5	20.9
		92	Small Business Investment Companies	14.6	1.0	20.4	1.1
29	Smithsonian Institution	- 02	Agencywide total	\$0.0		\$0.0	
	msutation	93	All programs and activities	0.0 ⁹	0.0 ^g	0.0 ^f	0.0 ^f
30	Social Security Administration		Agencywide total	\$7,993.0		\$7,973.0	
		94	Old Age and Survivors' Insurance (OASI)	3,166.0	0.5	2,536.0	0.4
		94	Disability Insurance (Combined with OASI)	0.0ª	0.0ª	0.0ª	0.0ª
		95	Supplemental Security Income Program	4,827.0	10.0	5,437.0	12.1
31	Department of State		Agencywide total	\$0.0		\$0.0	
		96	Business Class Travel and Sensitive Payments	0.0°	16.0	0.0°	4.0
		97	International Information ProgramU.S. Speaker and Specialist Program	0.0 ^h	0.0 ^h	0.0 ^h	0.0 ^h
32	Tennessee Valley Authority	<u> </u>	Agencywide total	\$5.4		\$3.1	
		98	Payment programs	5.4	0.1	3.1	0.0°
33	Department of Transportation		Agencywide total	\$632.4		\$1,474.6	
		99	Federal Aviation AdministrationAirport Improvement Program	1.3	0.0°	37.8	0.8
		100	Federal Highway AdministrationFederal Aid Highway Program	616.8	1.4	1,415.8	3.5
		101	Federal Transit AdministrationCapital Investment Grants	0.0 ^b	0.0 ^b	17.4	0.9
			Federal Transit AdministrationFormula	14.3	0.2	3.6	0.2
34	Department of	102	Grants Agencywide total	\$16,850.0		\$12,250.0	
	the Treasury	103	Earned Income Tax Credit	16,850.0	26.3	12,250.0	25.5
35	Department of Veterans Affairs	100	Agencywide total	\$2,155.8		\$1,240.7	
	- I I I I I I I I I I I I I I I I I I I	104	Compensation	569.6	1.0	439.8	1.2
		104	Dependency and Indemnity Compensation	0.0 ^a	0.0 ^a	0.0ª	0.0ª
		105	Education programs	712.8	8.0	66.3	2.3
		106	Insurance programs	0.4	0.0°	0.0 ^k	0.0 ^k
		107	Loan Guaranty	0.0 ^k	0.0 ^k	0.0 ^k	0.0 ^k

Department or agency		Program or activity	Fiscal year 2010 total estimate (dollars in millions)	Fiscal year 2010 error rate (percentage)	Fiscal year 2009 total estimate (dollars in millions)	Fiscal year 2009 error rate (percentage)
	108	Non-VA Care Civilian Health and Medical Program (CHAMPVA)	39.4	5.8	33.1	5.4
	109	Non-VA Care Fee	477.9	13.9	277.0	17.0
	110	Pensions	355.7	8.2	424.5	11.2
	111	Vocational Rehabilitation and Employment Program	0.0 ^k	0.0 ^k	0.0 ^k	0.0 ^k
		Total	\$125,380.4		\$109,204.1	_

Source: Agencies' fiscal year 2009 and fiscal year 2010 performance and accountability reports (PAR), agency financial reports (AFR), or annual reports. Figures were rounded to the nearest tenth for reporting purposes.

*Fiscal year 2009 estimate or error rate was updated to the revised estimate or error rate reported in the fiscal year 2010 PAR, AFR, or annual report.

Agency did not address improper payments or IPIA in its PAR, AFR, or annual report for fiscal year 2009, fiscal year 2010, or both.

⁹Agency PAR, AFR, or annual report was not available as of the end of fieldwork.

^hAgency reported that the program was not risk-susceptible for fiscal year 2009, fiscal year 2010.

Agency reported that it would estimate improper payments in the future for this program.

Agency did not report an annual improper payment estimate or error rate for this program.

^kAgency reported that it received a waiver from OMB, exempting it from the requirement to annually report improper payment information, because the program's estimate was below the reporting threshold (exceeding \$10 million and 2.5 percent of program payments) for 2 consecutive years.

^aAgency combined with program above.

^bAgency reported that the annual improper payment amount or error rate was zero.

^cAgency program estimate or error rate rounded to zero for purposes of this report.

^dAgency reported that it had no programs or activities susceptible to significant improper payments.

Related GAO Products

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