

# GAO Highlights

Highlights of [GAO-23-106585](#), a report to the Subcommittee on Legislative Branch, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

Improper payments—payments that should not have been made or that were made in incorrect amounts—are a long-standing significant problem in the federal government. Since fiscal year 2003, cumulative executive agency improper payment estimates have totaled almost \$2.4 trillion, including \$247 billion for fiscal year 2022.

House Report 117-389, which accompanied the Legislative Branch Appropriations Act, 2023, includes a provision for GAO to provide quarterly reports on its ongoing oversight of improper payments.

This report examines programs with reported reductions in estimated improper payment rates since fiscal year 2017. This report includes information about actions that agencies credit with helping them to achieve the reductions, common features of these actions, and the key takeaways or lessons learned that were identified by the agencies.

GAO analyzed agencies' improper payment estimates reported on [PaymentAccuracy.gov](#), as well as information reported in agency financial reports, and agency responses.

June 2023

## IMPROPER PAYMENTS

### Programs Reporting Reductions Had Taken Corrective Actions That Shared Common Features

## What GAO Found

Agencies have reported reductions in estimated improper payment rates for several programs based on fiscal year 2017 compared to fiscal year 2022. GAO identified 19 programs across eight agencies with reported reductions, according to fiscal year 2022 reporting. The reduction in estimated improper payment rates ranged from 0.1 to 85.6 net percentage points. Of the five programs with the largest reported reductions, four were Department of Veterans Affairs (VA) programs. The reported improper payment estimates for the 19 programs declined from a total of approximately \$55.0 billion for fiscal year 2017 to \$44.5 billion for fiscal year 2022.

**Programs with Reductions in Estimated Improper Payment Rates Reported, FY 2017 and FY 2022**

Agency	Program	FY 2017 rate <sup>a</sup> (percentage)	FY 2022 rate (percentage)	Change in rate (net percentage points)
Corporation for National and Community Service	AmeriCorps State and National	10.8	8.4	-2.4
Department of Agriculture	Food and Nutrition Service's Special Supplemental Nutrition Program for Women, Infants, and Children Total Program	5.0	1.8	-3.2
Department of Defense	Department of Defense Travel Pay	5.0	4.4	-0.6
Department of Health and Human Services	Administration for Children and Families Child Care and Development Fund	4.1	4.0	-0.2
Department of Health and Human Services	Centers for Medicare & Medicaid Services (CMS) Medicare Fee-for-Service <sup>b</sup>	9.5	7.5	-2.1
Department of Health and Human Services	CMS Medicare Prescription Drug Benefit (Part D)	1.7	1.5	-0.1
Department of Veterans Affairs	Beneficiary Travel <sup>b</sup>	25.1	7.9	-17.2
Department of Veterans Affairs	Communications, Utilities, and Other Rent <sup>b</sup>	24.4	2.7	-21.7
Department of Veterans Affairs	Medical Care Contracts and Agreements <sup>b</sup>	16.6	7.5	-9.1
Department of Veterans Affairs	Purchased Long Term Services and Supports <sup>b</sup>	100.0	47.5	-52.5
Department of Veterans Affairs	Supplies and Materials <sup>b</sup>	18.8	4.0	-14.7
Department of Veterans Affairs	Veterans Affairs Community Care <sup>b</sup>	93.4	7.8	-85.6
Federal Communications Commission	Universal Service Fund-Lifeline <sup>b</sup>	21.9	6.1	-15.8
Federal Communications Commission	Universal Service Fund-Schools & Libraries	4.3	3.7	-0.6
Small Business Administration	7(a) Guarantee Approvals	1.3	1.0	-0.3
Small Business Administration	7(a) Guarantee Purchases	4.3	4.2	-0.1
Small Business Administration	Disaster Loan Disbursements <sup>b</sup>	13.7	3.1	-10.6
Social Security Administration	Old-Age, Survivors, and Disability Insurance	0.3	0.2	-0.1
Social Security Administration	Supplemental Security Income	8.8	8.7	-0.1

Legend: FY = fiscal year

Source: GAO analysis of Office of Management and Budget PaymentAccuracy.gov data. | GAO-23-106585

Notes: Changes in rates may be attributable to a number of different causes, including agency corrective actions, policy changes, and the uncertainty of the estimation processes. Listed changes in rates may not equal the differences between the listed FY 2017 and FY 2022 rates due to rounding.

<sup>a</sup>The estimated improper payment rate is the estimated amount of improper payments divided by the amount in program outlays for a given program in a given fiscal year.

<sup>b</sup>The confidence intervals for this program's reported FY 2017 and FY 2022 estimates did not overlap, which serves as evidence that the reported reduction in estimated improper payment rate was likely not due to variability arising from the estimation process.

Office of Management and Budget guidance directs agencies to analyze the root causes of improper payments and implement corrective actions to reduce them. Agencies attributed reductions in estimated improper payment rates to program-specific corrective actions as well as broader reduction efforts. These actions and efforts fell into two categories. The first category—establishing accountability and facilitating internal collaboration—included examples such as the VA Veterans Health Administration's establishment of program-level senior accountable officials and a payment integrity team. The second category—providing technology, tools, and training targeted to root causes—included examples such as Federal Communications Commission's (FCC) launch of the National Verifier system, which uses a combination of automated and manual processes to verify Lifeline program eligibility.

Agencies also described key takeaways or lessons learned as a result of their reduction efforts. For example, VA described the importance of effective management and of ensuring that dedicated personnel provide oversight within both the VA Chief Financial Officer's (CFO) and Veterans Health Administration CFO's offices. The Corporation for National and Community Service noted the importance of targeted agency-wide actions and the need for strong communication. Department of Defense officials described the importance of training, collaboration, communication, and feedback. FCC cited the importance of analyzing root causes on a quarterly basis. The Small Business Administration described the importance of regular meetings with program offices to discuss common issues and solutions. These examples underscore the importance of effective corrective actions to address root causes of improper payments.

View [GAO-23-106585](#). For more information, contact M. Hannah Padilla at (202) 512-5683 or [padillah@gao.gov](mailto:padillah@gao.gov).