



April 2017

# 2017 ANNUAL REPORT:

Additional  
Opportunities to  
Reduce  
Fragmentation,  
Overlap, and  
Duplication and  
Achieve Other  
Financial Benefits



April 26, 2017

Congressional Addressees

The federal government faces a long-term, unsustainable fiscal path based on an imbalance between federal revenues and spending.<sup>1</sup> While addressing this structural imbalance will require fiscal policy changes, in the near term opportunities exist to take action in a number of areas to improve this situation, including where federal programs or activities are fragmented, overlapping, or duplicative. To call attention to these opportunities, Congress included a provision in statute for GAO to identify and report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.<sup>2</sup>

We have presented 645 actions in 249 areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue from 2011 to 2016.<sup>3</sup> Congress and executive branch agencies have addressed 329 (51 percent) of those actions resulting in about \$136 billion in financial benefits.<sup>4</sup> We estimate tens of billions more dollars could be saved by fully implementing our open actions.<sup>5</sup> Figure 1 outlines the

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<sup>1</sup>GAO, *The Nation's Fiscal Health: Action is Needed to Address the Federal Government's Fiscal Future*, [GAO-17-237SP](#) (Washington, D.C.: Jan. 17, 2017), and *Financial Audit: Fiscal Years 2016 and 2015 Consolidated Financial Statements of the U.S. Government*, [GAO-17-283R](#) (Washington, D.C.: Jan. 12, 2017). GAO's analysis of the federal fiscal outlook can be found at [http://www.gao.gov/fiscal\\_outlook/federal\\_fiscal\\_outlook/overview](http://www.gao.gov/fiscal_outlook/federal_fiscal_outlook/overview).

<sup>2</sup>Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified* at 31 U.S.C. § 712 note. See app. I for the list of congressional addressees for this work.

<sup>3</sup>See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2016 annual reports: <http://www.gao.gov/duplication/overview>.

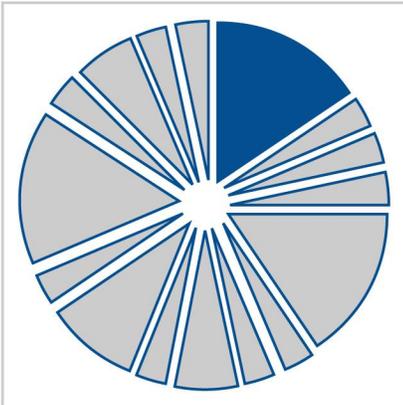
<sup>4</sup>In calculating these totals, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

<sup>5</sup>In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods, and utilized different data sources, assumptions, and methodologies. These individual estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

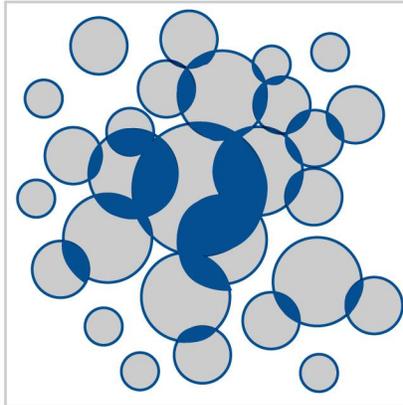
definitions we have used since 2011 for fragmentation, overlap, and duplication for this work.

**Figure 1: Definitions of Fragmentation, Overlap, and Duplication**

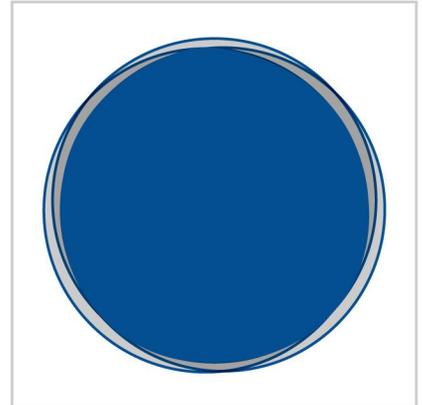
**Fragmentation** refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.



**Overlap** occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.



**Duplication** occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



Source: GAO. | GAO-17-491SP



**GAO's online Action Tracker**

GAO's online *Action Tracker* allows Congress, executive branch agencies, and the public to track the progress the government is making in addressing the issues we have identified. To improve search functions, we added a downloadable spreadsheet in November 2016 of all actions listed in the *Action Tracker*. With the release of this report, we are concurrently releasing the latest updates to these resources.

[GAO's online Action Tracker and downloadable spreadsheet](#)

Source: GAO. | GAO-17-491SP

This report is our seventh in the series and it identifies new areas where a broad range of federal agencies may be able to achieve greater efficiency or effectiveness. For each area, we suggest actions that Congress or executive branch agencies could take to reduce, eliminate, or better manage fragmentation, overlap, or duplication, or achieve other financial benefits. In addition to identifying new areas, we have continued to monitor the progress Congress and executive branch agencies have made in addressing actions we previously identified (see sidebar).

This report is based upon work we previously conducted in accordance with generally accepted government auditing standards or our quality assurance framework. See appendix II for more information on our scope and methodology.

## New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

In this report, we present 79 new actions that Congress or executive branch agencies could take across 29 new areas.<sup>6</sup> Of these, we suggest 26 actions to address 15 areas in which we found evidence of fragmentation, overlap, or duplication in government missions and functions (see table 1).

**Table 1: Fragmentation, Overlap, and Duplication Areas in This Report**

| Mission            | Fragmentation, overlap, and duplication area identified  | Page |
|--------------------|--|------|
| <b>Agriculture</b> | 1. <b>Federal Actions to Protect Pollinators and Improve Agricultural Production:</b> Through better coordination with other federal agencies, the U.S. Department of Agriculture could reduce the potential for fragmentation among efforts to monitor the population and health status of wild, native bees that provide valuable pollination services to agriculture and the environment. | 37   |
| <b>Defense</b>     | 2. <b>Army and Air Force Virtual Training:</b> The Army and Air Force need to improve the management and oversight of their virtual training programs to avoid fragmentation and more efficiently and effectively acquire and integrate virtual devices into operational training and potentially save <b>tens of millions of dollars.</b>   | 39   |
|                    | 3. <b>Construction for Military Contingency Operations:</b> By improving oversight of contingency construction projects, the Department of Defense (DOD) could potentially reduce duplication and save <b>millions of dollars.</b>   | 41   |

<sup>6</sup>Ten of the new actions were added to six existing areas.

| Mission                             | Fragmentation, overlap, and duplication area identified   | Page |
|-------------------------------------|---|------|
|                                     | 4. <b>Defense Weather Satellites:</b> DOD could reduce the risk of gaps in weather satellite capabilities by establishing formal mechanisms for coordination and collaboration with the National Oceanic and Atmospheric Administration.  | 43   |
|                                     | 5. <b>Department of Defense Advertising:</b> DOD should improve coordination and information sharing across its fragmented advertising programs for more efficient and more effective use of resources.   | 45   |
| General government                  | 6. <b>Federal Critical Raw Materials Activities:</b> To better manage fragmentation of agencies' critical raw materials activities, the Office of Science and Technology Policy should enhance interagency collaboration and take full advantage of agencies' expertise and resources.  | 47   |
|                                     | 7. <b>Federal Grant Awards:</b> The National Park Service, Fish and Wildlife Service, Food and Nutrition Service, and Centers for Disease Control and Prevention have not established guidance and a formal process to ensure their grant-management staff review applications for potential duplication and overlap among grants in their agencies before awarding competitive grants and cooperative agreements.  | 49   |
|                                     | 8. <b>Federal Hiring:</b> The Office of Personnel Management and agencies should identify opportunities to refine federal hiring authorities, expand access to specific authorities found to be highly efficient and effective, and eliminate those found to be less effective.   | 51   |
|                                     | 9. <b>Grants for Transit Resilience:</b> To mitigate the negative effects of fragmentation across federal funding streams, the Department of Transportation should examine the \$3.6 billion in funding the Federal Transit Administration awarded toward transit resilience projects for potential duplication with other resilience efforts.  | 53   |
|                                     | 10. <b>Recovery Operations Center Closure:</b> A proposal for centralized analytics and investigative support for the oversight community would help Congress decide whether to authorize such an entity to mitigate the risk of potential duplication and fragmentation and provide valuable tools for targeting resources to help reduce improper payments.   | 55   |
|                                     | 11. <b>Use of the Do Not Pay Working System:</b> <sup>a</sup> The Office of Management and Budget (OMB) needs to develop a strategy and additional guidance on the use of the Do Not Pay working system, and Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file through the system to reduce improper payments and mitigate the risks associated with potential duplication. | 57   |
| Homeland security / law enforcement | 12. <b>Missing and Unidentified Persons Data:</b> The Federal Bureau of Investigation and National Institute of Justice could reduce overlap and fragmentation of data on missing and unidentified persons by evaluating and implementing options to improve data sharing, thereby helping to solve these cases more efficiently.   | 59   |
|                                     | 13. <b>Sexual Violence Data:</b> OMB should convene an interagency forum to better manage fragmentation of efforts to collect sexual violence data that can improve the overall understanding of the scope of this problem in the United States.  | 61   |
| International affairs               | 14. <b>Foreign-Assistance Data Quality:</b> As a key step to address the potential overlap in the collection and reporting of foreign-assistance information, the Department of State, in consultation with the U.S. Agency for International Development and OMB, needs to improve data quality to ensure consistency in published information.  | 63   |
| Science and the environment         | 15. <b>Administrative Requirements on Federal Research:</b> To reduce universities' workload and compliance costs, the multiple agencies that award federal research grants should better coordinate and manage fragmentation and address variation in grants' administrative requirements.   | 65   |

Source: GAO. | GAO-17-491SP

<sup>a</sup>The Do Not Pay Working System is a centralized data-matching service that allows agencies to review multiple databases to help verify a payee's eligibility to receive the funds before making a payment.

Appendix III provides more detailed information about these new areas.

In addition, we present 43 opportunities for Congress or executive branch agencies to take action to reduce the cost of government operations or enhance revenue collections for the U.S. Treasury across 14 areas of government (see table 2). See appendix IV for more detailed information about these new areas.

**Table 2: Cost Savings and Revenue Enhancement Opportunities Identified in This Report**

| Mission            | Cost savings and revenue enhancement area identified  | Page |
|--------------------|---|------|
| Defense            | 16. <b>Department of Defense (DOD) Commissaries:</b> By managing its commissaries more efficiently, DOD could position itself to better achieve its cost savings target of \$2 billion.   | 69   |
|                    | 17. <b>DOD Special and Incentive Pays:</b> DOD needs to incorporate key principles of effective human capital management in its special and incentive pay programs, which could lead to program improvements that could save <b>tens of millions of dollars annually</b> .  | 71   |
|                    | 18. <b>Navy Shipbuilding:</b> The Navy could achieve cost savings from improved use of warranties and guarantees in shipbuilding.   | 73   |
| Energy             | 19. <b>Storage of Defense and Commercial Nuclear Waste:</b> The Department of Energy could potentially save <b>tens of billions of dollars</b> by improving its analysis of options for permanently storing defense high-level nuclear waste and commercial spent nuclear fuel.   | 75   |
| General government | 20. <b>Department of Veterans Affairs (VA) Medical Facility Construction:</b> VA could better avoid cost increases and schedule delays on its medical facility construction projects by improving management of facility construction.  | 77   |
|                    | 21. <b>Government Purchase Cards:</b> An increased focus on analyzing agency-wide purchase card use would provide federal agencies with opportunities to leverage the government's buying power and potentially obtain substantial cost savings on the billions spent annually using purchase cards.  | 79   |
|                    | 22. <b>Inland Waterways Fuel Tax:</b> The Internal Revenue Service could enhance revenue and better gauge whether vessel operators are complying with the inland waterways fuel tax by obtaining access to proprietary data from the U.S. Army Corps of Engineers.  | 81   |
|                    | 23. <b>Land Mobile Radio Procurement:</b> The Office of Management and Budget could improve agencies' communication abilities and reduce the hundreds of millions of dollars spent annually on land mobile radio equipment by including this technology in its initiative to manage spending across government for commonly purchased goods.                                | 83   |
|                    | 24. <b>Refundable Tax Credits:</b> The Internal Revenue Service could potentially realize <b>hundreds of millions of dollars</b> in cost savings by improving the administration of three large refundable tax credits.   | 85   |
| Health             | 25. <b>Federal Payments for Hospital Uncompensated Care:</b> By better aligning federal payments for hospitals' uncompensated care—services provided to uninsured and low-income patients for which hospitals are not fully compensated—with hospitals' costs, the Centers for Medicare & Medicaid Services could potentially save <b>over a billion dollars annually</b> . | 87   |

| Mission                | Cost savings and revenue enhancement area identified   | Page |
|------------------------|--|------|
|                        | 26. <b>Medicaid Personal Care Services Data:</b> The Centers for Medicare & Medicaid Services needs timely, complete, and consistent data on Medicaid personal care services so it can effectively monitor these services, which could lead to savings of <b>tens of millions of dollars annually</b> .  | 89   |
|                        | 27. <b>Medicare Advantage Improper Payments:</b> The Centers for Medicare & Medicaid Services could recover <b>hundreds of millions of dollars</b> in improper payments by improving its processes to audit payments made to Medicare Advantage organizations.   | 91   |
|                        | 28. <b>Patient Protection and Affordable Care Act Enrollment:</b> By strengthening enrollment controls and better managing fraud risk for health-insurance coverage provided under the Patient Protection and Affordable Care Act, the Centers for Medicare & Medicaid Services could realize cost savings associated with subsidies and related spending, which were estimated to cost \$56 billion for fiscal year 2017. | 93   |
| <b>Income security</b> | 29. <b>Disability Insurance:</b> The Social Security Administration could recover <b>tens of millions of dollars annually</b> in Disability Insurance (DI) overpayments by increasing withholding rates of individuals' ongoing monthly DI benefit payments.   | 95   |

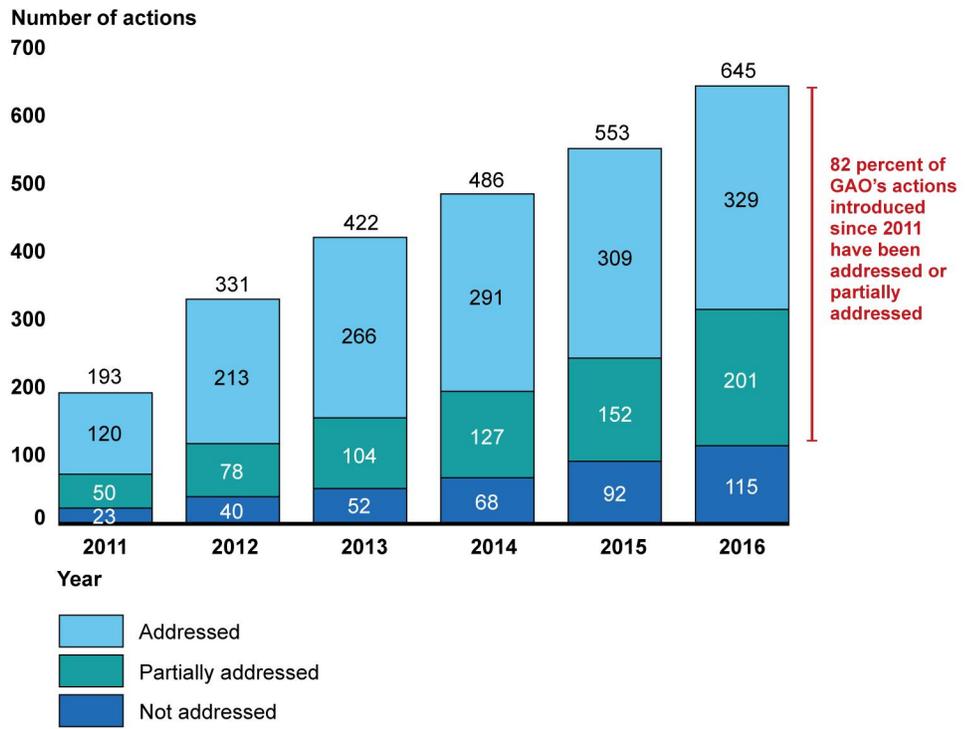
Source: GAO. | GAO-17-491SP

In addition to the new areas presented in this year's annual report, we identified 10 new actions that relate to 6 existing areas presented in our 2011 to 2016 annual reports. See appendix V for more information.

## Congress and Executive Branch Agencies Continue to Address Actions That Span the Federal Government

As shown in figure 2, Congress and executive branch agencies have made progress in addressing or partially addressing many actions we identified from 2011 to 2016. As of March 2017, 82 percent of the 645 total actions we had identified since 2011 have been addressed or partially addressed. See GAO's online [Action Tracker](#) for the status of all actions.

**Figure 2: Progress in Addressing 2011 to 2016 Actions as of March 2017**



Source: GAO. | GAO-17-491SP

**Data table for Figure 2: Progress in Addressing 2011 to 2016 Actions as of March 2017**

| Year | Addressed (cumulative) | Not addressed (cumulative) | Partially addressed (cumulative) | Totals (cumulative) |
|------|------------------------|----------------------------|----------------------------------|---------------------|
| 2011 | 120                    | 23                         | 50                               | 193                 |
| 2012 | 213                    | 40                         | 78                               | 331                 |
| 2013 | 266                    | 52                         | 104                              | 422                 |
| 2014 | 291                    | 68                         | 127                              | 486                 |
| 2015 | 309                    | 92                         | 152                              | 553                 |
| 2016 | 329                    | 115                        | 201                              | 645                 |

## Benefits Related to Actions Taken by Congress and Executive Branch Agencies

Congress and executive branch agencies have addressed 329 (51 percent) of the 645 actions we identified from 2011 to 2016 (see table 3).<sup>7</sup> We found that these efforts have resulted in roughly \$75 billion in financial benefits from 2010 through 2016, with at least an additional \$61 billion in estimated benefits projected to be accrued in 2017 or later.<sup>8</sup>

**Table 3: Status of 2011–2016 Actions Directed to Congress and the Executive Branch, as of March 2017**

| Status              | 114th Congress <sup>a</sup><br>(number of actions<br>[percentage]) | 115th Congress<br>(number of actions<br>[percentage]) | Executive branch <sup>b</sup><br>(number of actions<br>[percentage]) | Total<br>(number of actions<br>[percentage]) |
|---------------------|--|---|--|--|
| Addressed           | 36<br>(38%)  | 36<br>(38%)   | 293<br>(53%)   | 329<br>(51%)                                 |
| Partially addressed | 12<br>(13%)  | 9<br>(9%)   | 192<br>(35%)   | 201<br>(31%)                                 |
| Not addressed       | 47<br>(49%)  | 50<br>(53%)   | 65<br>(12%)  | 115<br>(18%)                                 |
| <b>Total</b>        | <b>95<br/>(100%)</b>   | <b>95<br/>(100%)</b>                                  | <b>550<br/>(100%)</b>  | <b>645<br/>(100%)</b>                        |

Source: GAO. | GAO-17-491SP

Note: “Addressed” includes 30 actions categorized as “consolidated or other” and three actions “closed-not addressed.” Actions categorized as “consolidated or other” and “closed-not addressed” are no longer assessed. In most cases, these actions were replaced or subsumed by new actions based on additional audit work or other relevant information. For example, actions categorized as “consolidated or other” may have been consolidated into other actions that we track based on subsequent audit work or significant changes in agency circumstances, or they may have been redirected from a congressional to an executive branch action, or vice versa. Actions may be “closed-not addressed” if the action is no longer relevant or applicable. Six actions were categorized as “consolidated or other” and 1 as “closed-not addressed” this year.

<sup>a</sup>In assessing actions suggested for Congress, we applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only

<sup>7</sup>Of the 329 actions that have been addressed, 83 of them were closed (addressed or consolidated) since our last annual report in April 2016. Actions were assessed as of March 2017, when we completed the assessment of the status of previously identified actions.

<sup>8</sup>In calculating these totals, we relied on individual estimates from a variety of sources, which considered different periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

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addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

<sup>b</sup>In assessing actions suggested for the executive branch, we applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development, or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

The progress Congress and executive branch agencies have made in addressing our open actions has resulted in significant financial benefits. Table 4 highlights examples of these results.

**Table 4: Examples of Addressed or Partially Addressed Actions with Associated Cost Savings and Revenue Enhancements**

| Area name (annual report year, area number) <sup>a</sup> | Actions taken   | Financial benefit   |
|--|---|---|
| Farm Program Payments (2011, Area 35)                    | Congress passed the Agricultural Act of 2014, which eliminated direct payments to farmers.  | Savings of approximately <b>\$44 billion</b> from fiscal year 2015 through fiscal year 2023, of which \$10 billion has accrued and \$34 billion is expected to accrue in fiscal year 2017 or later, according to the Congressional Budget Office (CBO). |
| Domestic Ethanol Production (2011, Area 13)              | Congress allowed the Volumetric Ethanol Excise Tax Credit to expire at the end of 2011, which eliminated duplicative federal efforts directed at increasing domestic ethanol production.  | Reduced revenue losses by <b>\$29 billion</b> from fiscal year 2012 to fiscal year 2016, according to GAO analysis.   |
| Tax Policies and Enforcement (2015, Area 17)             | Congress amended the audit procedures applicable to certain large partnerships to require that they pay audit adjustments at the partnership level.   | Increase revenue of <b>\$9.3 billion</b> from fiscal years 2019 to 2025, according to the Joint Committee on Taxation.  |
| Strategic Petroleum Reserve (2015, Area 15)              | The Department of Energy completed a long-term strategic review of the Strategic Petroleum Reserve in August 2016, as Congress required in 2015.  | Savings of <b>\$8 billion</b> from selling crude oil from the reserve from 2018 through 2025, according to CBO.   |
| Combat Uniforms (2013, Area 2)                           | The Army chose not to introduce a new family of camouflage uniforms into its inventory.   | Cost avoidance of about <b>\$4.2 billion</b> over 5 years, of which \$2.5 billion has accrued since fiscal year 2014 and \$1.7 billion is expected to accrue in fiscal year 2017 or later, according to agency estimates.                               |
| Agencies' Use of Strategic Sourcing (2013, Area 23)      | The Department of Veterans Affairs (VA) evaluated strategic sourcing opportunities and set goals and metrics such as increasing managed spending for information-technology (IT) products and services.   | Cost avoidance of about <b>\$3.6 billion</b> from fiscal years 2013 through 2015, according to agency estimates.  |
| Real Estate-Owned Properties (2014, Area 18)             | The Department of Housing and Urban Development implemented improvements to its property custody approach including reducing the number of foreclosed properties that it acquires by using other means of resolving troubled mortgages.   | Savings of as much as <b>\$3.4 billion</b> from July 2013 through June 2016, according to GAO estimates.  |
| Overseas Defense Posture (2012, Area 37)                 | United States Forces Korea conducted a series of consultations with the military services to evaluate the costs and benefits associated with tour normalization, and the Department of Defense (DOD) decided not to move forward with the full tour normalization initiative because it was not affordable. | Savings of an estimated <b>\$3.1 billion</b> from fiscal years 2012 through 2016, according to agency estimates.  |
| Homeland Security Grants (2012, Area 17)                 | Congress limited preparedness grant funding until the Federal Emergency Management Agency completes a national preparedness assessment of capability gaps.  | Savings of <b>\$2.55 billion</b> from fiscal years 2011 through 2013, according to GAO estimates.   |

| Area name (annual report year, area number) <sup>a</sup>                               | Actions taken  | Financial benefit  |
|--|--|--|
| <a href="#">Overseas Military Presence (2011, Area 36)</a>                             | DOD removed two brigade combat teams from Europe beginning in fiscal year 2013, as well as a number of support units that were no longer strategically necessary on a permanent basis.   | Savings of approximately <b>\$2.3 billion</b> in operations and support costs over 5 years, of which \$1.8 billion has accrued since fiscal year 2013 and \$500 million is expected to accrue in fiscal year 2017 or later, according to agency estimates. |
| <a href="#">Treasury's Foreclosure Prevention Efforts (2016, Area 17)</a>              | The Department of the Treasury (Treasury) updated its analysis of estimated future expenditures for the Making Home Affordable program, reducing the estimated lifetime cost of the program.   | Savings of <b>\$2 billion</b> as a result of deobligating funds in December 2016, according to agency estimates.   |
| <a href="#">Information Technology Investment Portfolio Management (2014, Area 24)</a> | Seven agencies consolidated commodity IT areas to shared services in response to OMB's 2012 guidance to review their portfolios and identify duplicative, low-value, and wasteful investments, contributing to savings.  | Savings of an estimated <b>\$1.4 billion</b> from fiscal years 2012 through 2015, according to agency estimates.   |
| <a href="#">Defense Headquarters (2012, Area 34)</a>                                   | As required by Congress, DOD took steps to issue a plan to reduce the size of headquarters organizations and Congress appropriated less than DOD requested for its fiscal year 2016 appropriation.   | Cost savings of approximately <b>\$609 million</b> as a result of Congress reducing DOD's 2016 operation and maintenance appropriation from the amount of DOD's budget request, according to GAO analysis.   |
| <a href="#">Children's Disability Reviews (2015, Area 21)</a>                          | SSA has increased the number of Continuing Disability Reviews (CDRs) for children receiving Supplemental Security Income (SSI) and expects to eliminate the CDR backlog for SSI children by the end of fiscal year 2017, ensuring that only child SSI recipients who are eligible for benefits receive them.   | Cost savings of about <b>\$467 million</b> as a result of the additional reviews conducted in fiscal year 2013 and savings of more than \$3 billion over time, according to GAO analysis.  |
| <a href="#">Unobligated Balances (2016, Area 24)</a>                                   | The Department of Energy's Western Area Power Administration (WAPA) finalized a strategy to identify appropriate levels of unobligated balances within its Construction, Rehabilitation, Operation, and Maintenance (CROM) account, which focuses on maintaining reasonable and appropriate funding to ensure sustainability of the primary purposes of the account. | Cost savings of <b>\$92 million</b> , as a result of decreasing the level of unobligated balance as of fiscal year 2016 and returning the funds to Treasury, according to agency estimates.  |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click the area name to go to GAO's online *Action Tracker* for additional information..

Congress has also implemented a number of key government-wide statutory requirements in recent years that could help identify areas of fragmentation, overlap, or duplication, or help address issues we raise in this report, including the following:

- **The Program Management Improvement Accountability Act.**<sup>9</sup> The act seeks to improve program and project management in certain federal agencies. Among other things, the act requires the Deputy Director of the Office of Management and Budget (OMB) to adopt and oversee implementation of government-wide standards, policies, and guidelines for program and project management in executive agencies. It further creates a Program Management Policy Council to act as an interagency forum for improving practices related to program and project management. This interagency collaboration and strengthened program management could help reduce fragmentation, overlap, and duplication among federal agencies.
- **The Digital Accountability and Transparency Act of 2014 (DATA Act).**<sup>10</sup> The DATA Act expands on previous federal transparency requirements to link federal agency spending to federal program activities so that taxpayers and policymakers can more effectively track federal spending.<sup>11</sup> Full and effective implementation of the act offers the promise of a much more complete and accurate understanding of federal spending by enabling—for the first time—the federal government as a whole to track these funds at multiple points in the federal spending life cycle, and significantly increasing the types and transparency of data available to Congress, agencies, and the general public. In what will be the first reporting of data in compliance with the act’s requirements, agencies must submit second-quarter fiscal year 2017 data in compliance with the act’s requirements for inclusion on USASpending.gov in May 2017. This information could potentially help identify areas of fragmentation, overlap, or duplication.
- **Information Technology (IT) acquisition reform, known as the Federal Information Technology Acquisition Reform Act (FITARA).**<sup>12</sup> The effective and efficient acquisition and management of IT investments has been a long-standing challenge in the federal

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<sup>9</sup>Pub. L. No. 114-264, 130 Stat. 1371 (2016).

<sup>10</sup>Pub. L. No. 113-101, 128 Stat. 1146 (2014). The DATA Act amended the Federal Funding Accountability and Transparency Act of 2006. Pub. L. No. 109-282, 120 Stat. 1186 (2006), *codified at* 31 U.S.C. § 6101 note.

<sup>11</sup>GAO, *DATA Act: OMB and Treasury Have Issued Additional Guidance and Have Improved Pilot Design but Implementation Challenges Remain*, [GAO-17-156](#) (Washington, D.C.: Dec. 8, 2016).

<sup>12</sup>FITARA was enacted into law as a part of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, Pub. L. No. 113-291, div. A, title VIII, subtitle D, §§ 831-837, 128 Stat. 3292, 3438-3450 (2014).

government.<sup>13</sup> FITARA holds promise for improving agencies' acquisition of IT and enabling Congress to monitor agencies' progress and hold them accountable for reducing duplication and achieving cost savings. FITARA includes several specific requirements related to existing areas in our fragmentation, overlap, and duplication work, such as implementing the federal data-center consolidation initiative, enhancing transparency, improving risk management, and maximizing the benefits of government-wide software purchasing and the federal strategic sourcing initiative.

- **The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).**<sup>14</sup> Improper payments are a long-standing, widespread, and significant problem in the federal government—totaling over \$1.2 trillion since reporting requirements first began at some agencies in 2003.<sup>15</sup> IPERIA requires agencies to ensure that a thorough review of available databases occurs prior to the release of federal funds. We have identified numerous actions to reduce improper payments in several areas, such as Medicare improper payments, Medicaid improper payments, and refundable tax credits.

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## Action on Remaining and New Areas Could Yield Significant Additional Benefits

While Congress and executive branch agencies have made progress toward addressing the 724 total actions we have identified since 2011, further steps are needed to fully address the 395 actions that remain open (i.e., partially or not addressed).<sup>16</sup> We estimate that tens of billions of dollars in additional financial benefits could be realized should

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<sup>13</sup>GAO, *Information Technology: OMB and Agencies Need to Focus Continued Attention on Implementing Reform Law*, [GAO-16-672T](#) (Washington, D.C.: May 18, 2016).

<sup>14</sup>Pub. L. No. 112-248, 126 Stat. 2390 (2013), *codified at* 31 U.S.C. 3321 note, as amended by the Bipartisan Budget Act of 2013, Pub. L. No. 113-67, § 204, 127 Stat. 1165, 1181 (2013), and the Federal Improper Payments Coordination Act of 2015, Pub. L. No. 114-109, §§ 2-4, 129 Stat. 2225, 2225-27 (2015).

<sup>15</sup>GAO, *Improper Payments: Strategy and Additional Actions Needed to Help Ensure Agencies Use the Do Not Pay Working System as Intended*, [GAO-17-15](#) (Washington, D.C.: Oct. 14, 2016).

<sup>16</sup>The 724 total actions include the 79 new actions we identified in 2017.

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Congress and executive branch agencies fully address open actions.<sup>17</sup> In addition to producing financial benefits, these actions make government more efficient; improve major government programs or agencies; reduce mismanagement, fraud, waste, and abuse; and increase assurance that programs comply with laws and funds are legally spent.

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### Significant Open Actions Directed to Congress

Congress has used our work to identify legislative solutions to achieve cost savings, address emerging problems, and find efficiencies in federal agencies and programs. Our work has contributed to a number of key authorizations and appropriations. Congressional oversight has been critical in realizing the full benefits of our suggested actions, and it will continue to be critical in the future. In our 2011 to 2017 annual reports, we directed 97 actions to Congress, which include 2 new congressional actions we identified in 2017. Of the 97 actions, 61 remained open (9 of which were partially addressed and 52 were not addressed) as of March 2017.<sup>18</sup> Table 5 highlights areas with significant open actions directed to Congress.

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<sup>17</sup>In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods, and utilized different data sources, assumptions, and methodologies. These individual estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

<sup>18</sup>See app. VI for information on open congressional actions.

Table 5: Examples of Areas with Open Actions Directed to Congress

| Annual report <sup>a</sup> | Area description <sup>b</sup>  |
|----------------------------|--|
| 2011                       | <b>Social Security Offsets (Area 80):</b> The Social Security Administration (SSA) needs data on pensions from noncovered earnings to better enforce offsets and ensure benefit fairness, which could result in estimated savings of <b>\$2.4 billion to \$7.9 billion</b> over 10 years if enforced both retrospectively and prospectively, according to the Congressional Budget Office (CBO) and SSA. The estimated savings would be less if SSA only enforced the offsets prospectively as it would not reduce benefits already received.  |
| 2012                       | <b>Excess Uranium Inventories (Area 40):</b> Giving the Department of Energy authority to sell or transfer excess uranium could provide substantial revenue for the government. In 2014, GAO estimated that actions in this area could increase revenue by about <b>\$1 billion</b> .  |
| 2012                       | <b>Stabilization, Reconstruction, and Humanitarian Assistance Efforts (Area 6):</b> Improving the Department of Defense's (DOD) evaluations of stabilization, reconstruction, and humanitarian assistance efforts, and addressing coordination challenges with the Department of State and the U.S. Agency for International Development, could reduce overlapping efforts and result in the more efficient use of taxpayer dollars. Specifically, Congress should consider amending the legislation that supports the Overseas Humanitarian, Disaster, and Civic Aid-funded humanitarian assistance program—DOD's largest humanitarian assistance program—to more specifically define DOD's role in humanitarian assistance, taking into account the roles and similar types of efforts performed by the civilian agencies. |
| 2013                       | <b>Crop Insurance (Area 19):</b> To achieve up to <b>\$2 billion annually</b> in cost savings in the crop insurance program, Congress could consider limiting the subsidy for premiums that are provided on behalf of individual farmers—as it limits the amount of payments to individual farmers in many farm programs—or reducing the subsidy or some combination of limiting and reducing these subsidies.   |
| 2013                       | <b>Tobacco Taxes (Area 31):</b> Federal revenue losses ranged from as much as <b>\$615 million to \$1.1 billion</b> between April 2009 and 2011 because manufacturers and consumers substituted higher-taxed smoking tobacco products with similar lower-taxed products. To address future revenue losses, Congress should consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.   |
| 2014                       | <b>Disability and Unemployment Benefits (Area 8):</b> Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period, which could save <b>\$1.9 billion</b> over 10 years in the Social Security Disability Insurance program, according to CBO.   |
| 2014                       | <b>Advanced Technology Vehicles Manufacturing Loan Program (Area 13):</b> Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing (ATVM) loans and viable applications, Congress may wish to consider rescinding all or part of the remaining <b>\$4.2 billion</b> in credit subsidy appropriations.   |
| 2015                       | <b>Medicare Payments to Certain Cancer Hospitals (Area 19):</b> To achieve almost <b>\$500 million per year</b> in program savings, Congress should consider modifying how Medicare pays certain cancer hospitals.   |
| 2015                       | <b>DOD US Family Health Plan (Area 6):</b> To potentially save <b>millions of dollars</b> and eliminate duplication within DOD's health care system, Congress should terminate the statutorily required US Family Health Plan because it offers military beneficiaries the same health care benefit offered by other DOD health care contractors.  |
| 2016                       | <b>Medicare Payments by Place of Service (Area 30):</b> Medicare could save <b>billions of dollars</b> if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed. <sup>c</sup>   |
| 2017                       | <b>Use of the Do Not Pay Working System (Area 11):</b> The Office of Management and Budget needs to develop a strategy and additional guidance on the use of the Do Not Pay working system, and Congress should consider amending the Social Security Act to explicitly allow the SSA to share its full death file through the system to reduce improper payments and mitigate the risks associated with potential duplication.  |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

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<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to GAO's online *Action Tracker*, which shows the current status of the key action and any other actions in the specified area. See app. VII for information on key open actions for every area.

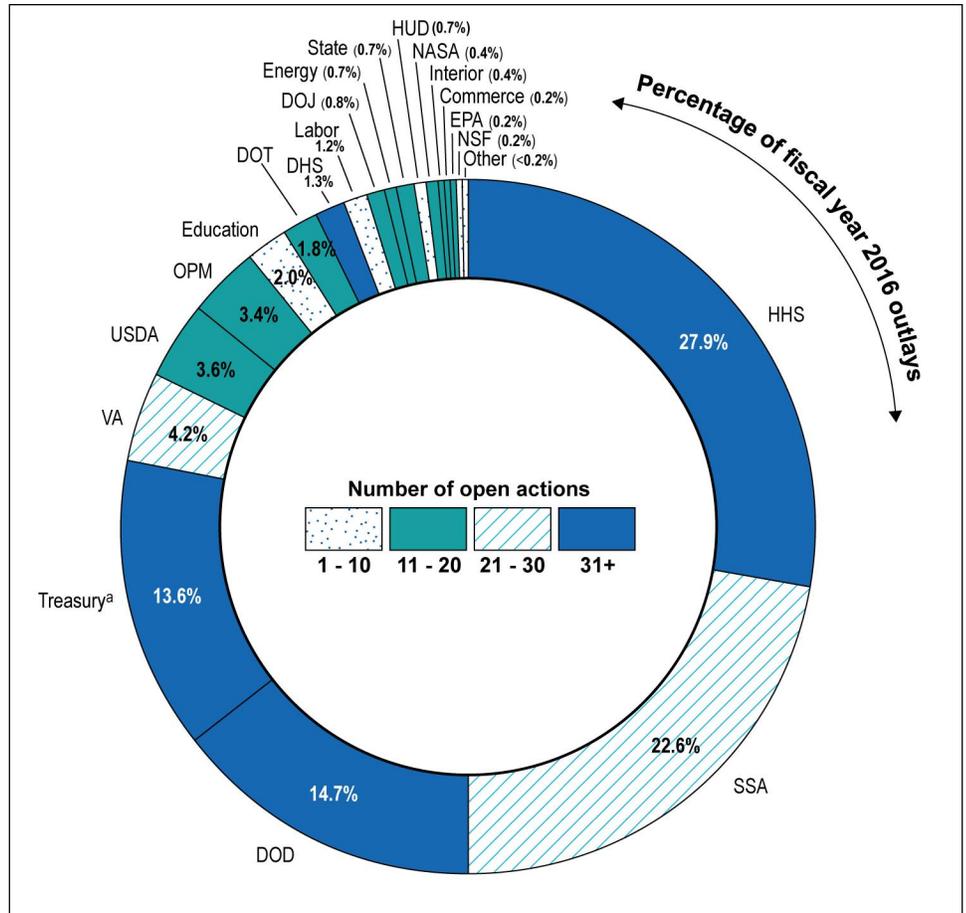
<sup>c</sup>In 2015, Congress took some steps to address this by excluding services furnished by off-campus hospital outpatient departments from this higher payment, effective January 1, 2017. However, this exclusion will not apply to services furnished by providers billing as hospital outpatient departments prior to enactment of the legislation—that is, all providers billing as hospital outpatients during our study—who would continue to be paid under higher rate or to services provided by on-campus hospital outpatient departments. Congress later added providers meeting a mid-build requirement to the list of providers to which the exclusion would not apply.

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## Significant Open Actions Directed to Executive Branch Agencies

In our 2011 to 2017 annual reports, we directed 627 actions to executive branch agencies, including 77 new actions identified in 2017. Of the 627 actions, over half—334—remained open (192 were partially addressed and 142 were not addressed) as of March 2017. While these open actions span the government, a substantial number of actions are directed to seven agencies that made up 84 percent—\$3.6 trillion—of federal outlays in fiscal year 2016; see figure 3.

**Figure 3: Fiscal Year 2016 Outlays and Number of Open Actions since 2011, by Agency**



Source: GAO. | GAO-17-491SP

Notes: Number of open actions includes actions that are partially addressed and not addressed.

<sup>a</sup>Treasury's percentage of fiscal year 2016 outlays includes interest payments on the national debt.

**Data table for Figure 3: Fiscal Year 2016 Outlays and Number of Open Actions since 2011, by Agency**

| Agency                                  | Fiscal Year 2016 Outlays (in millions of dollars) | Percent | Total open actions |
|---|---|---------|--------------------|
| Other                                   | N/A   | <0.2%   | N/A (1-10)         |
| Department of Health and Human Services | 1,208,157   | 27.9%   | 56                 |
| Social Security Administration          | 979,656   | 22.6%   | 25                 |

| <b>Agency</b>                                 | <b>Fiscal Year 2016 Outlays<br/>(in millions of dollars)</b> | <b>Percent</b> | <b>Total open actions</b> |
|---|--|----------------|---------------------------|
| Department of Defense                         | 637,661  | 14.7%          | 95                        |
| Department of the Treasury                    | 588,663  | 13.6%          | 65                        |
| Department of Veterans Affairs                | 179,628  | 4.2%           | 24                        |
| Department of Agriculture                     | 154,284  | 3.6%           | 20                        |
| Office of Personnel Management                | 146,553  | 3.4%           | 12                        |
| Department of Education                       | 87,761   | 2.0%           | 8                         |
| Department of Transportation                  | 79,003   | 1.8%           | 19                        |
| Department of Homeland Security               | 57,612   | 1.3%           | 37                        |
| Department of Labor                           | 52,927   | 1.2%           | 9                         |
| Department of Justice                         | 33,250   | 0.8%           | 12                        |
| Department of Energy                          | 30,182   | 0.7%           | 12                        |
| Department of State                           | 29,487   | 0.7%           | 15                        |
| Department of Housing and Urban Development   | 29,354   | 0.7%           | 10                        |
| National Aeronautics and Space Administration | 18,833   | 0.4%           | 11                        |
| Department of the Interior                    | 17,909   | 0.4%           | 18                        |
| Department of Commerce                        | 9,461  | 0.2%           | 20                        |
| Environmental Protection Agency               | 8,831  | 0.2%           | 17                        |
| National Science Foundation                   | 6,933  | 0.2%           | 6                         |
| U.S. Agency for International Development     | 6,037  | 0.1%           | 2                         |
| Small Business Administration                 | 1,231  | 0.0%           | 13                        |
| Nuclear Regulatory Commission                 | 988  | 0.0%           | 7                         |
| General Services Administration               | -643   | 0.0%           | 12                        |

As shown in figure 4, 10 agencies have at least 20 open actions.

**Figure 4: Number of Not Addressed and Partially Addressed Actions since 2011, by Agency**

| Agency  | Number of open actions |    | Total |
|---|------------------------|----|-------|
| Department of Defense                         | 61                     | 34 | 95    |
| Department of Health and Human Services       | 29                     | 27 | 56    |
| Internal Revenue Service                      | 23                     | 20 | 43    |
| Department of Homeland Security               | 31                     | 6  | 37    |
| Office of Management and Budget               | 16                     | 18 | 34    |
| Social Security Administration                | 17                     | 8  | 25    |
| Department of Veterans Affairs                | 20                     | 4  | 24    |
| Department of the Treasury                    | 17                     | 5  | 22    |
| Department of Transportation                  | 17                     | 3  | 20    |
| Department of Agriculture                     | 18                     | 2  | 20    |
| Department of the Interior                    | 16                     | 3  | 19    |
| Department of Commerce                        | 18                     | 0  | 18    |
| Other entities <sup>a</sup>                   | 8                      | 9  | 17    |
| Environmental Protection Agency               | 16                     | 1  | 17    |
| Department of State                           | 12                     | 3  | 15    |
| Department of Energy                          | 9                      | 4  | 13    |
| Office of Personnel Management                | 10                     | 2  | 12    |
| General Services Administration               | 11                     | 1  | 12    |
| Department of Justice                         | 11                     | 1  | 12    |
| Small Business Administration                 | 12                     | 0  | 12    |
| National Aeronautics and Space Administration | 10                     | 1  | 11    |
| Department of Housing and Urban Development   | 9                      | 1  | 10    |
| Department of Labor                           | 9                      | 0  | 9     |
| Nuclear Regulatory Commission                 | 8                      | 0  | 8     |
| National Science Foundation                   | 6                      | 1  | 7     |
| Department of Education                       | 6                      | 0  | 6     |
| U.S. Agency for International Development     | 2                      | 0  | 2     |

 Number of actions partially addressed  
 Number of actions not addressed

Source: GAO. | GAO-17-491SP

Notes: Action status is as of March 2017. Individual actions are counted multiple times when they are directed to more than one federal department or agency. As a result, the number of open actions shown in this figure totals 576 instead of 334: 334 is the total number of open actions directed to the executive branch as of March 2017.

The number of actions “partially addressed” means the action needed is in development or started but not yet completed. The number of actions “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed. Actions that were introduced in this 2017 annual report are counted as “not addressed.”

<sup>a</sup>“Other entities” reflects open actions directed to the following federal entities: The Executive Office of the President, National Security Council, Office of the Director of National Intelligence, Office of National Drug Control Policy, Office of Science and Technology Policy, Homeland Security Council, Consumer Financial Protection Bureau, Federal Reserve, U.S. Commission on International Religious Freedom, National Transportation and Information Administration, and the Federal Communications Commission.

**Data Table for Figure 4: Number of Not Addressed and Partially Addressed Actions since 2011, by Agency**

| Row Labels                                    | Not Addressed | Partially Addressed | Total Open Actions 2011-2017 |
|---|---------------|---------------------|------------------------------|
| Department of Defense                         | 34            | 61                  | 95                           |
| Department of Health and Human Services       | 27            | 29                  | 56                           |
| Internal Revenue Service                      | 20            | 23                  | 43                           |
| Department of Homeland Security               | 6             | 31                  | 37                           |
| Office of Management and Budget               | 18            | 16                  | 34                           |
| Social Security Administration                | 8             | 17                  | 25                           |
| Department of Veterans' Affairs               | 4             | 20                  | 24                           |
| Department of the Treasury                    | 5             | 17                  | 22                           |
| Department of Transportation                  | 3             | 17                  | 20                           |
| Department of Agriculture                     | 2             | 18                  | 20                           |
| Department of the Interior                    | 3             | 16                  | 19                           |
| Department of Commerce                        | 0             | 18                  | 18                           |
| Other Entities <sup>a</sup>                   | 9             | 8                   | 17                           |
| Environmental Protection Agency               | 1             | 16                  | 17                           |
| Department of State                           | 3             | 12                  | 15                           |
| Department of Energy                          | 4             | 9                   | 13                           |
| Office of Personnel Management                | 2             | 10                  | 12                           |
| General Services Administration               | 1             | 11                  | 12                           |
| Department of Justice                         | 1             | 11                  | 12                           |
| Small Business Administration                 | 0             | 12                  | 12                           |
| National Aeronautics and Space Administration | 1             | 10                  | 11                           |
| Department of Housing and Urban Development   | 1             | 9                   | 10                           |
| Department of Labor                           | 0             | 9                   | 9                            |
| Nuclear Regulatory Commission                 | 0             | 8                   | 8                            |
| National Science Foundation                   | 1             | 6                   | 7                            |
| Department of Education                       | 0             | 6                   | 6                            |
| U.S. Agency for International Development     | 0             | 2                   | 2                            |

The following sections highlight selected open actions across several major agencies.

More Efficiently Targeting Defense Resources

In our 2011 to 2017 reports, we directed 168 actions to DOD in areas that contribute to DOD’s effectiveness in providing the military forces needed to deter war and to protect the security of the United States. As of March 2017, 95 of these 168 actions remained open. DOD represented about 15 percent of federal spending in fiscal year 2016, with outlays totaling about \$637.6 billion. Our work suggests that effectively implementing our open actions, including those related to areas listed in table 6, could yield substantial financial benefits.

**Table 6: Examples of Areas with Open Actions Directed to the Department of Defense**

| Annual report <sup>a</sup> | Area description <sup>b</sup>  |
|----------------------------|--|
| 2011                       | <b>Weapon Systems Acquisition Programs (Area 38):</b> Employing best management practices could help the Department of Defense (DOD) save money on its weapon systems acquisition programs. Given the trillion-dollar size of the portfolio, GAO estimates potential savings from addressing the remaining actions could be in the <b>tens of billions of dollars</b> over time.   |
| 2013                       | <b>Agencies’ Use of Strategic Sourcing (Area 23):</b> Selected agencies—including DOD—could better leverage their buying power and achieve additional savings by directing more procurement spending to existing strategically sourced contracts and further expanding strategic sourcing practices to their highest spending procurement categories. GAO estimates that savings of 1 percent from selected agencies’ procurement spending alone would equate to <b>over \$4 billion</b> . |
| 2015                       | <b>DOD Headquarters Reductions (Area 14):</b> DOD could potentially achieve <b>hundreds of millions of dollars</b> in cost savings and help to ensure that headquarters organizations are properly sized to meet their assigned missions by reevaluating its ongoing headquarters-reductions efforts and conducting periodic reassessments of workforce requirements.  |
| 2017                       | <b>DOD Commissaries (Area 16):</b> By managing its commissaries more efficiently, DOD could position itself to better achieve its cost savings target of <b>\$2 billion</b> .  |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO’s 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to GAO’s online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

Improving the Efficiency of Health Care Programs

In our 2011 to 2017 reports, we directed 98 actions to the Department of Health and Human Services (HHS) in areas that contribute to HHS’s mission to enhance the health and well-being of Americans. HHS administers Medicare, which in fiscal year 2016 financed health services

for over 57 million beneficiaries at an estimated cost of \$696 billion. HHS also administers Medicaid, which covered an estimated 72.2 million low-income people in fiscal year 2016 at a cost of \$575.9 billion.<sup>19</sup> HHS represented about 28 percent of the fiscal year 2016 federal budget, with outlays totaling about \$1.2 trillion. As of March 2017, 56 of HHS’s 98 actions remained open. Our work suggests that effectively implementing these actions, including those related to areas listed in table 7, could yield substantial financial benefits.

**Table 7: Examples of Areas with Open Actions Directed to the Department of Health and Human Services**

|                 | Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|-----------------|----------------------------|---|
| <b>Medicare</b> | 2012                       | <b>Medicare Advantage Payments (Area 45):</b> To help ensure appropriate payments to Medicare Advantage plans, CMS should take steps to improve the accuracy of the adjustment made for differences in diagnostic coding practices between Medicare Advantage plans and traditional Medicare providers. We previously reported that these shortcomings in CMS’s adjustment resulted in excess payments to Medicare Advantage plans totaling an estimated <b>\$3.2 billion to \$5.1 billion</b> over a 3-year period from 2010 through 2012.   |
|                 | 2013                       | <b>Medicare Prepayment Controls (Area 25):</b> More widespread use of prepayment edits could reduce improper payments and achieve other cost savings for the Medicare program, as well as provide more consistent coverage nationwide.  |
|                 | 2015                       | <b>Medicare Postpayment Claims Reviews (Area 7):</b> To prevent inappropriate duplicative postpayment claims reviews by contractors, the Centers for Medicare & Medicaid Services should monitor the Recovery Audit Data Warehouse—the database developed in part to prevent duplicative reviews.   |
|                 | 2017                       | <b>Federal Payments for Hospital Uncompensated Care (Area 25):</b> By better aligning federal payments for hospitals’ uncompensated care—services provided to uninsured and low-income patients for which hospitals are not fully compensated—with hospitals’ costs, the Centers for Medicare & Medicaid Services could potentially save <b>over a billion dollars annually</b> .   |
| <b>Medicaid</b> | 2014, 2016                 | <b>Demonstration Spending (Areas 21, 27):</b> Federal spending on Medicaid demonstrations could be reduced by <b>billions of dollars</b> if the Department of Health and Human Services (HHS) improved the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations, including better ensuring that valid methods are used to demonstrate budget neutrality and implemented other actions and recommendations, such as establishing specific criteria for assessing whether demonstration spending furthers Medicaid objectives. |
|                 | 2016                       | <b>Payments to Institutional Providers (Area 29):</b> CMS should take steps to improve the oversight of state Medicaid payments to institutional providers and better ensure that the federal government does not provide funds for excessive state payments made to certain providers, which could result in savings of <b>hundreds of millions of dollars annually</b> .  |
|                 | 2017                       | <b>Medicaid Personal Care Services Data (Area 26):</b> CMS needs timely, complete, and consistent data on Medicaid personal care services so it can effectively monitor these services, which could lead to savings of <b>tens of millions of dollars annually</b> .  |

Source: GAO. | GAO-17-491SP

<sup>19</sup>Of the \$575.9 billion, \$363.4 billion was financed by the federal government and the remainder by states.

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to GAO's online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

### Enhancing Federal Revenues

In our 2011 to 2017 reports, we directed 83 actions to the Internal Revenue Service (IRS) in areas that contribute to effectively and efficiently providing high-quality service to taxpayers and enforcing the law with integrity and fairness to all. As of March 2017, 43 of these 83 actions remained open. The funding of the federal government depends largely upon IRS's ability to collect taxes—in fiscal year 2016, IRS collected about \$3.3 trillion. Our work suggests that effective implementation of our open actions, including those related to areas listed in table 8, could increase revenues and result in other financial benefits.

**Table 8: Examples of Areas with Open Actions Directed to the Internal Revenue Service**

| Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|----------------------------|---|
| 2013, 2015                 | <b>Tax Policy and Enforcement (Areas 22, 17):</b> By using more-rigorous analyses to allocate enforcement resources and using data to improve management of enforcement programs such as large partnership and correspondence audits, among other things, the Internal Revenue Service (IRS) can increase revenue collections by <b>billions of dollars</b> .                                       |
| 2014                       | <b>Online Taxpayer Services (Area 17):</b> IRS could potentially realize <b>hundreds of millions of dollars</b> in cost savings and increased revenues by enhancing its online services, which would improve service to taxpayers and encourage greater tax-law compliance.   |
| 2016                       | <b>IRS's Public Referral Programs (Area 6):</b> IRS could potentially collect <b>billions of dollars</b> in tax underpayments through its nine public referral programs and save resources by better managing fragmentation and overlap, improving communication, and streamlining processes.   |
| 2016                       | <b>Identity Theft Refund Fraud (Area 22):</b> IRS and Congress could potentially save <b>billions of dollars</b> in fraudulent refunds by improving the agency's efforts to prevent refund fraud associated with identity theft.  |
| 2017                       | <b>Refundable Tax Credits (Area 24):</b> IRS could potentially realize <b>hundreds of millions of dollars</b> in cost savings by improving the administration of three large refundable tax credits (the Earned Income Tax Credit; the Additional Child Tax Credit, which is sometimes combined with its nonrefundable counterpart, the Child Tax Credit; and the American Opportunity Tax Credit). |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to GAO's online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

Improving the Efficiency and Effectiveness of Homeland Security Operations

In our 2011 to 2017 reports, we directed 78 actions to the Department of Homeland Security (DHS) in areas that contribute to the effective implementation of its mission to, among other things, prevent terrorist attacks from occurring within the United States, reduce U.S. vulnerability to terrorism, and help the nation recover from any attacks that may occur. In fiscal year 2016, DHS spent about \$57.6 billion, about 1.3 percent of federal outlays. As of March 2017, 37 of the 78 actions to DHS remained open. Fully implementing these actions, including those related to areas listed in table 9, could result in financial benefits and substantial improvements in operations.

**Table 9: Examples of Areas with Open Actions Directed to the Department of Homeland Security**

| Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|----------------------------|---|
| 2012                       | <b>Homeland Security Grants (Area 17):</b> The Department of Homeland Security (DHS) needs better project information and coordination among four overlapping grant programs and needs to establish a framework for assessing preparedness capabilities to identify gaps and prioritize investments.  |
| 2012                       | <b>Domestic Disaster Assistance (Area 51):</b> The Federal Emergency Management Agency could reduce the costs to the federal government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a state’s capacity to respond without federal assistance. |
| 2012                       | <b>Border Security (Area 47):</b> Delaying proposed investments for future acquisitions of border surveillance technology until DHS better defines and measures benefits and estimates life-cycle costs could help ensure the most effective use of future program funding.   |
| 2015                       | <b>Vulnerability Assessments of Critical Infrastructure (Area 9):</b> DHS could mitigate potential duplication or gaps by consistently capturing and maintaining data from overlapping vulnerability assessments of critical infrastructure and improving data sharing and coordination among the offices and components involved with these assessments.     |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to GAO’s online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

Advancing the Implementation of Government-Wide Policies and Performance

Many of the results the federal government seeks to achieve require the coordinated effort of more than one federal agency, level of government, or sector. OMB manages and coordinates many government-wide efforts.

In our 2011 to 2017 reports, we directed 64 actions to OMB in areas to improve the efficiency and effectiveness of government-wide programs and activities. As of March 2017, 34 of the 64 actions to OMB remained open. Fully implementing these actions, including those related to areas listed in table 10, could yield substantial financial benefits and program improvements.

**Table 10: Examples of Areas with Open Actions Directed to the Office of Management and Budget**

| Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|----------------------------|---|
| 2011                       | <b>Tax Expenditures (Area 17):</b> Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses by <b>billions of dollars</b> .   |
| 2011                       | <b>Government-Wide Improper Payments (Area 46):</b> Efforts to address the reported estimate of over \$144 billion in government-wide improper payments for fiscal year 2016 could result in significant cost savings.  |
| 2012                       | <b>Federal User Fees (Area 43):</b> Regularly reviewing federal user fees and charges can help the Congress and federal agencies identify opportunities to address inconsistent federal funding approaches and enhance user financing, thereby reducing reliance on general fund appropriations.  |
| 2013                       | <b>Geospatial Investments (Area 11):</b> Better coordination among federal agencies that collect, maintain, and use geospatial information could help reduce duplication of geospatial investments and provide the opportunity for potential savings of <b>millions of dollars</b> .  |
| 2014                       | <b>Information Technology Investment Portfolio Management (Area 24):</b> The Office of Management and Budget (OMB) and multiple agencies could help the federal government realize <b>billions of dollars</b> in savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information-technology investments. |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to our online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

**More Efficiently Administering Services to Retirees and Citizens with Disabilities**

In our 2011 to 2017 reports, we directed 28 actions to the Social Security Administration (SSA) in areas that contribute to SSA providing financial assistance to eligible individuals through Social Security retirement and disability benefits and Supplemental Security Income (SSI) payments. As of March 2017, 25 of these 28 actions remained open. In fiscal year 2016, SSA spent about \$979.7 billion, roughly 23 percent of federal outlays. While most of SSA's funding is used to pay Social Security retirement, survivors, and disability benefits from the Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund,

our work suggests that effective implementation of these actions, including the examples listed in table 11, could yield substantial benefits.

**Table 11: Examples of Areas with Open Actions Directed to the Social Security Administration**

| Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|----------------------------|---|
| 2012                       | <b>Social Security Benefit Coordination (Area 27):</b> Benefit offsets for related programs help reduce the potential for overlapping payments but pose administrative challenges.  |
| 2016                       | <b>Disability Insurance Overpayments (Area 32):</b> To help prevent the loss of <b>billions of dollars</b> , the Social Security Administration (SSA) should take steps to prevent overpayments to beneficiaries of the Disability Insurance program and improper waivers of beneficiaries' overpayment debt. |
| 2016                       | <b>Disability Reviews (Area 33):</b> SSA may increase federal savings realized as a result of disability reviews by further considering factors that affect individuals' expected lifetime benefits when prioritizing its reviews of Disability Insurance and Supplemental Security Income cases.             |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to our on-line *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

### Improving Support and Services for Veterans

In our 2011 to 2017 reports, we directed 44 actions to VA in areas that contribute to VA effectively and efficiently achieving its mission to promote the health, welfare, and dignity of all veterans by ensuring that they receive medical care, benefits, and social support. As of March 2017, 24 of these 44 actions remained open. In fiscal year 2016, VA spent about \$179.6 billion—about 4 percent of federal outlays—for veterans' benefits and services. Our work suggests that effective implementation of these actions, including those related to areas listed in table 12, could yield cost savings and efficiencies that would improve the delivery of services.

**Table 12: Examples of Areas with Open Actions Directed to the Department of Veterans Affairs**

| Annual report <sup>a</sup> | Area description <sup>b</sup>   |
|----------------------------|---|
| 2012                       | <b>Military and Veterans Health Care (Area 15):</b> The Departments of Defense (DOD) and Veterans Affairs (VA) need to improve integration across care coordination and case-management programs to reduce duplication and better assist service members, veterans, and their families.   |
| 2013                       | <b>Information Technology Operations and Maintenance (Area 30):</b> Strengthening oversight of key federal agencies'—including VA's—major information-technology investments in operations and maintenance provides opportunity for savings of <b>billions of dollars</b> in information-technology investments across the federal government.  |
| 2016                       | <b>VA's Individual Unemployability Benefit (Area 34):</b> To potentially achieve cost savings, the VA should develop a plan to study whether age should be considered when deciding whether veterans are unemployable due to service-connected disabilities. By comparison, other benefit programs, such as Social Security Disability Insurance, consider retirement age a cause for ineligibility and convert benefits for those reaching their full retirement age to a Social Security retirement benefit. If it were determined that Total Disability Individual Unemployability benefits should be provided only to veterans younger than their full Social Security retirement age, the agency could achieve an estimated <b>\$15 billion</b> in savings from 2015 through 2023, according to the Congressional Budget Office. |
| 2017                       | <b>Department of Veterans Affairs Medical Facility Construction (Area 20):</b> VA could better avoid cost increases and schedule delays on its medical facility construction projects by improving management of facility construction.   |

Source: GAO. | GAO-17-491SP

Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2016 report to reflect more recent analysis.

<sup>a</sup>Click on the year in the annual report column to go to the report in which this area was first introduced.

<sup>b</sup>Click on the area identified to go to our online *Action Tracker*, which shows the current status for all actions in the specified area. See app. VII for information on key open actions for every area.

This report was prepared under the coordination of J. Christopher Mihm, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov), and Jessica Lucas-Judy, Acting Director, Strategic Issues, who may be reached at (202) 512-9110 or [lucasjudyj@gao.gov](mailto:lucasjudyj@gao.gov). Specific questions about individual issues may be directed to the area contact listed at the end of each summary.



Gene L. Dodaro  
Comptroller General of the United States

## Abbreviations

|          |  |
|----------|--|
| ACTC     | Additional Child Tax Credit  |
| AD/CV    | Antidumping and Countervailing                                     |
| AOTC     | American Opportunity Tax Credit                                    |
| ATVM     | Advanced Technology Vehicles Manufacturing                         |
| BJS      | Bureau of Justice Statistics                                       |
| CBO      | Congressional Budget Office  |
| CBP      | U.S. Customs and Border Protection                                 |
| CDC      | Centers for Disease Control and Prevention                         |
| CDE      | Community Development Entities                                     |
| CDFI     | Community Development Financial Institutions                       |
| CHCO     | Chief Human Capital Officer  |
| CHIPRA   | Children’s Health Insurance Program<br>Reauthorization Act of 2009 |
| CIGIE    | Council of the Inspectors General on Integrity and<br>Efficiency   |
| CMI      | Critical Materials Institute                                       |
| CMS      | Centers for Medicare & Medicaid Services                           |
| Commerce | Department of Commerce   |
| Corps    | U.S. Army Corps of Engineers                                       |
| CROM     | Construction, Rehabilitation, Operation, and<br>Maintenance        |
| CSMSC    | Critical and Strategic Mineral Supply Chains                       |
| CTC      | Child Tax Credit   |
| DATA Act | Digital Accountability and Transparency Act of 2014                |
| DCPAS    | Defense Civilian Personnel Advisory Service                        |
| DHS      | Department of Homeland Security                                    |
| DI       | Disability Insurance   |
| DISA     | Defense Information Systems Agency                                 |
| DNP      | Do Not Pay   |
| DOD      | Department of Defense  |
| DOE      | Department of Energy   |
| DOJ      | Department of Justice  |
| DOT      | Department of Transportation                                       |
| DSAID    | Defense Sexual Assault Incident Database                           |
| DSH      | Disproportionate Share Hospital                                    |
| EITC     | Earned Income Tax Credit   |
| EPA      | Environmental Protection Agency                                    |
| FAR      | Federal Acquisition Regulation                                     |
| FBI      | Federal Bureau of Investigation                                    |
| FCC      | Federal Communications Commission                                  |
| FECA     | Federal Employees’ Compensation Act                                |

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Abbreviations

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|           |  |
|-----------|--|
| FEMA      | Federal Emergency Management Agency                                |
| FHA       | Federal Housing Administration                                     |
| FITARA    | Federal Information Technology Acquisition Reform Act              |
| FNS       | Food and Nutrition Service   |
| FTA       | Federal Transit Administration                                     |
| FWS       | Fish and Wildlife Service  |
| GPRA      | Government Performance and Results Act of 1993                     |
| GPRAMA    | GPRA Modernization Act of 2010                                     |
| GSA       | General Services Administration                                    |
| HHS       | Department of Health and Human Services                            |
| HRIT      | Human Resources Information Technology                             |
| HUD       | Department of Housing and Urban Development                        |
| IACC      | Interagency Autism Coordinating Committee                          |
| ICASS     | International Cooperative Administrative Support Services          |
| ICE       | Immigration and Customs Enforcement                                |
| Interior  | Department of the Interior   |
| IPERIA    | Improper Payments Elimination and Recovery Improvement Act of 2012 |
| IRA       | Individual Retirement Account                                      |
| IRS       | Internal Revenue Service   |
| IT        | information technology   |
| JROC      | Joint Requirements Oversight Council                               |
| LMR       | land mobile radio  |
| LQA       | living quarters allowance  |
| MA        | Medicare Advantage   |
| MHA       | Making Home Affordable   |
| MILCON    | Military Construction  |
| NamUS     | National Missing and Unidentified Persons System                   |
| NASA      | National Aeronautics and Space Administration                      |
| NCIC      | National Crime Information Center                                  |
| NCVS      | National Crime Victimization Survey                                |
| NEISS-AIP | National Electronic Injury Surveillance System—All Injury Program  |
| NEMT      | nonemergency medical transportation                                |
| NIH       | National Institutes of Health                                      |
| NIJ       | National Institute of Justice                                      |
| NIS       | National Inmate Survey   |
| NISVS     | National Intimate Partner and Sexual Violence Survey               |
| NMTC      | New Markets Tax Credit   |
| NOAA      | National Oceanic and Atmospheric Administration                    |
| NPS       | National Park Service  |

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Abbreviations

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|                |   |
|----------------|---|
| NSF            | National Science Foundation   |
| O&M            | Operation and Maintenance   |
| OIG            | Office of Inspector General   |
| OMB            | Office of Management and Budget   |
| OPM            | Office of Personnel Management  |
| OSTP           | Office of Science and Technology Policy                                     |
| PCH            | PPS-exempt cancer hospitals   |
| PPS            | prospective payment system  |
| PREA           | Prison Rape Elimination Act of 2003   |
| PTC            | Premium Tax Credit  |
| R&D            | research and development  |
| RADV           | risk adjustment data validation   |
| Recovery Board | Recovery Accountability and Transparency Board                              |
| ROC            | Recovery Operations Center  |
| S&I            | special and incentive   |
| SBA            | Small Business Administration   |
| SBEM           | space-based environmental monitoring  |
| SNAP           | Supplemental Nutrition Assistance Program                                   |
| SSA            | Social Security Administration  |
| SSI            | Supplemental Security Income  |
| SSV            | Survey of Sexual Victimization  |
| State          | Department of State   |
| STEM           | science, technology, engineering, and mathematics                           |
| TEC            | Transatlantic Economic Council  |
| Treasury       | Department of the Treasury  |
| TSA            | Transportation Security Administration                                      |
| UAS            | unmanned aircraft system  |
| UCR-NIBRS      | Uniform Crime Reporting Program–National<br>Incident-Based Reporting System |
| UCR-SRS        | Uniform Crime Reporting Program–Summary<br>Reporting System                 |
| USAID          | U.S. Agency for International Development                                   |
| USCIS          | United States Citizenship and Immigration Services                          |
| USDA           | Department of Agriculture   |
| USFHP          | US Family Health Plan   |
| VA             | Department of Veterans Affairs  |
| WAPA           | Western Area Power Administration   |
| WGRA           | Workplace and Gender Relations Survey of Active<br>Duty Members             |
| WSF-M          | Weather System Follow-on Microwave  |
| WTO            | World Trade Organization  |

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## List of Appendixes

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**Table 13: Appendixes**

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## Appendix I: List of Congressional Addressees

The Honorable Thad Cochran  
Chairman  
The Honorable Patrick Leahy  
Vice Chairman  
Committee on Appropriations  
United States Senate

The Honorable Mike Enzi  
Chairman  
The Honorable Bernie Sanders  
Ranking Member  
Committee on the Budget  
United States Senate

The Honorable Ron Johnson  
Chairman  
The Honorable Claire McCaskill  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Rodney P. Frelinghuysen  
Chairman  
The Honorable Nita M. Lowey  
Ranking Member  
Committee on Appropriations  
House of Representatives

The Honorable Diane Black  
Chairman  
The Honorable John Yarmuth  
Ranking Member  
Committee on the Budget  
House of Representatives

The Honorable Jason Chaffetz  
Chairman  
The Honorable Elijah E. Cummings

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Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

The Honorable Mark R. Warner  
United States Senate

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## Appendix II: Objectives, Scope and Methodology

Section 21 of Public Law 111-139, enacted in February 2010, requires GAO to conduct routine investigations to identify federal programs, agencies, offices, and initiatives with duplicative goals and activities within departments and government-wide. This provision also requires GAO to report annually to Congress on its findings, including the cost of such duplication, with recommendations for consolidation and elimination to reduce duplication and specific rescissions (legislation canceling previously enacted budget authority) that Congress may wish to consider. Our objectives in this report are to (1) identify potentially significant areas of fragmentation, overlap, and duplication and opportunities for cost savings and enhanced revenues that exist across the federal government; (2) assess to what extent have executive branch agencies and Congress addressed actions in our 2011 to 2016 annual reports; and (3) highlight examples of open actions directed to Congress or key executive branch agencies.

For the purposes of our analysis, we used the term “fragmentation” to refer to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and there may be opportunities to improve how the government delivers these services. We used the term “overlap” when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. We considered “duplication” to occur when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.<sup>1</sup> This report presents 15 areas of fragmentation, overlap, or duplication where greater efficiencies or effectiveness in providing government services may be achievable. We also highlighted 14 other opportunities for potential cost savings or revenue enhancements.

To identify what actions, if any, exist to address fragmentation, overlap, and duplication and take advantage of opportunities for cost savings and

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<sup>1</sup>We recognize that there could be instances where some degree of program fragmentation, overlap, or duplication may be warranted due to the nature or magnitude of the federal effort.

enhanced revenues, we reviewed and updated prior GAO work and recommendations to identify what additional actions agencies may need to take and Congress may wish to consider. For example, we used a variety of prior GAO work identifying leading practices that could help agencies address challenges associated with interagency coordination and collaboration, evaluating performance and results in achieving efficiencies.<sup>2</sup>

To identify the potential financial and other benefits that might result from actions addressing fragmentation, overlap, or duplication, or taking advantage of other opportunities for cost savings and enhanced revenues, we collected and analyzed data on costs and potential savings to the extent they were available. Estimating the benefits that could result from addressing unnecessary fragmentation, overlap, or duplication was not possible in some cases because information about the extent of duplication among certain programs was not available. Further, the financial benefits that can be achieved from addressing fragmentation, overlap, or duplication or taking advantage of other opportunities for cost savings and enhanced revenues were not always quantifiable in advance of congressional and executive branch decision making, and needed information was not readily available on, among other things, program performance, the level of funding devoted to overlapping programs, or the implementation costs and time frames that might be associated with program consolidations or terminations. Appendix VIII provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, and cost savings or revenue enhancement discussed in this report, including budgetary information when available.

We assessed the reliability of any computer-processed data that materially affected our findings, including cost savings and revenue enhancement estimates. The steps that we take to assess the reliability of data vary but are chosen to accomplish the auditing requirement that the data be sufficiently reliable given the purposes for which it is used for in

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<sup>2</sup>GAO, *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012) and *Managing for Results: Practices for Effective Agency Strategic Reviews*, GAO-15-602 (Washington, D.C.: July 29, 2015). Information on GAO's work on the GPRA Modernization Act of 2010 (GPRAMA) can be found at [http://www.gao.gov/key\\_issues/managing\\_for\\_results\\_in\\_government/issue\\_summary](http://www.gao.gov/key_issues/managing_for_results_in_government/issue_summary) and information on GAO's work on best and leading practices in collaboration can be found at [http://www.gao.gov/key\\_issues/leading\\_practices\\_collaboration/issue\\_summary](http://www.gao.gov/key_issues/leading_practices_collaboration/issue_summary).

our products. GAO analysts review published documentation about the data system and Inspector General or other reviews of the data. We may interview agency or outside officials to better understand system controls and to assure ourselves that we understand how the data are produced and any limitations associated with the data. We may also electronically test the data to see whether values in the data conform to agency testimony and documentation regarding valid values, or compare data to source documents. In addition to these steps we often compare data with other sources as a way to corroborate our findings. For each submission in this report, specific information on data reliability is located in the related products.

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### Assessing the Status of Previously Identified Actions

To examine the extent to which Congress and executive branch agencies have made progress in implementing the 645 actions in the 249 areas we have reported on in previous annual reports on fragmentation, overlap, and duplication, we reviewed relevant legislation and agency documents such as budgets, policies, strategic and implementation plans, guidance, and other information. We also analyzed, to the extent possible, whether or not financial or other benefits have been attained, and included this information as appropriate. (See discussion below on the methodology we used to estimate financial benefits.) In addition, we discussed the implementation status of the actions with officials at the relevant agencies. New actions introduced in this report show that progress is “pending” and that they are “new for 2017,” including new actions that were added to existing areas.

Using the legislation and documentation collected from agencies, we assessed progress for each of the 645 actions within their areas of expertise.

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We used the following criteria in assessing the status of actions:<sup>3</sup>

- In assessing actions suggested for Congress, we applied the following criteria: “addressed” means relevant legislation is enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.
- In assessing actions suggested for the executive branch, we applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development, or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

We provided drafts of these assessments to the agencies involved for their technical comments and incorporated these comments, as appropriate. In providing the drafts to the agencies for review, we communicated that we would use an “as of” date of March 2017, for all assessments. The progress statements and updates are published on GAO’s [Action Tracker](#). In Appendix VII, GAO identified the “key open action” remaining to be implemented in each open area.

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<sup>3</sup>Since 2011, we have categorized 30 actions as “consolidated or other” and are no longer assessing these actions. In most cases, the actions were replaced by new actions based on additional audit work or other relevant information. For example, actions categorized as “consolidated or other” may have been consolidated into other actions that we track based on subsequent audit work or significant changes in agency circumstances, or they may have been redirected from a congressional to an executive branch action, or vice versa. In addition, since 2011, we have categorized 3 actions as “closed–not addressed” because the action is no longer relevant or applicable. In this report, we add these actions to the “addressed” category because we are no longer assessing these actions; we consider them to be closed.

## Methodology for Generating Total Cost Savings Estimates

In order to calculate the total financial benefits resulting from actions already taken and potential financial benefits from actions that are not fully addressed, GAO analysts compiled available estimates for all of the actions from GAO's *Action Tracker*, from 2011 through 2016, and from reports identified for inclusion in the 2017 annual report, and linked supporting documentation to those estimates. Each estimate was reviewed by a GAO technical specialist to ensure that estimates were based on reasonably sound methodologies. The savings estimates came from a variety of sources, including GAO analysis, Congressional Budget Office estimates, individual agencies, the Joint Committee on Taxation, and others. Due to differences in time frames, underlying assumptions, quality of data, and methodologies among these individual estimates, any attempt to generate a total will be associated with uncertainty that limits the precision of this calculation. As a result, our totals represent a rough estimate of financial benefits, rather than an exact total.

For actions that have already been taken, individual estimates of realized cost savings covered a range of time periods stretching from 2010 through 2025. In order to calculate the total amount of realized financial benefits that have already accrued, and those that are expected to accrue, we separated those that accrued from 2010 through 2016, and those expected to accrue between 2017 and 2025. For individual estimates that span both periods, we assumed that financial benefits were distributed evenly over the period of the estimate.<sup>4</sup> For each category, we summed the individual estimates in order to generate a total. To account for uncertainty and imprecision resulting from the differences in individual estimates, we present these realized savings to the nearest billion dollars, rounded down.

Estimates of potential financial benefits that could accrue from actions not yet taken have a higher level of uncertainty, because these estimates are dependent on whether, how, and when agencies and Congress take our recommended actions. As a result, many estimates of potential savings are notionally stated using terms like millions, tens of millions, or billions, to demonstrate a magnitude without providing a more precise estimate.

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<sup>4</sup>For example, if an individual estimate was for \$10 billion dollars to accrue from 2014 to 2023, we assumed that \$1 billion would be earned each year. As a result, \$3 billion would be counted as "already accrued" through 2016, while the other \$7 billion would be counted as "expected to accrue" from 2017 and later.

Further, many of these estimates are not tied to specific time frames, for the same reason. In order to calculate a total for potential savings, with a conservative approach, we used the minimum number associated with each term.<sup>5</sup> To account for the increased uncertainty of potential estimates and the imprecision resulting from differences among individual estimates, we calculated potential financial benefits to the nearest \$10 billion, rounded down, and presented our results using a notional term.

This report is based upon work GAO previously conducted in accordance with generally accepted government auditing standards. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>5</sup>For example, if GAO had stated that an agency could potentially save “hundreds of millions,” we would use \$100 million as part of our calculation of the total.

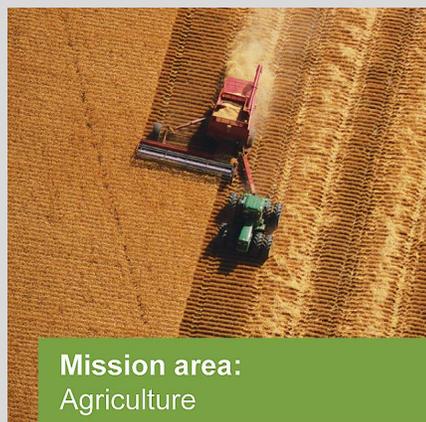
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## **Appendix III: Areas in Which GAO Has Identified Fragmentation, Overlap, or Duplication**

This appendix presents 15 areas in which we found evidence of fragmentation, overlap, or duplication among federal government programs.

# 1. Federal Actions to Protect Pollinators and Improve Agricultural Production

Through better coordination with other federal agencies, the U.S. Department of Agriculture could reduce the potential for fragmentation among efforts to monitor the population and health status of wild, native bees that provide valuable pollination services to agriculture and the environment.



**Mission area:**  
Agriculture

Source: PhotoDisc.

## Potential Benefit

Improve the effectiveness of federal efforts to monitor wild, native bee populations that provide valuable pollination services

## Implementing Entities

Department of Agriculture

## Link to Actions

GAO identified one action to improve federal monitoring. See GAO's [Action Tracker](#).

## Related GAO Products

[GAO-16-220](#)

## Contact Information

For additional information about this area, contact Steve Morris at (202) 512-3841 or [morriss@gao.gov](mailto:morriss@gao.gov).

Honey bees and other managed and wild, native bees provide valuable pollination services to agriculture worth billions of dollars to farmers, but government and university researchers have documented declines in some populations of bee species. A June 2014 presidential memorandum on pollinators established the White House Pollinator Health Task Force, made up of more than a dozen federal agencies and cochaired by the Secretary of Agriculture and the Administrator of the Environmental Protection Agency. The task force identified priority actions for agencies within the U.S. Department of Agriculture (USDA) and the Department of the Interior to take leading and supporting roles in, among other things, monitoring wild, native bees.

GAO found that the White House task force did not develop a mechanism, such as a monitoring plan, that would establish participating agencies' roles and responsibilities, establish common outcomes and goals, and obtain input from states and other stakeholders.

To improve the effectiveness of federal efforts to monitor wild, native bee populations, GAO recommended in February 2016 that the Secretary of Agriculture, as a cochair of the White House Pollinator Health Task Force, coordinate with other task-force agencies that have monitoring responsibilities to develop a mechanism, such as a federal monitoring plan, that would (1) establish roles and responsibilities of lead and support agencies, (2) establish shared outcomes and goals, and (3) obtain input from relevant stakeholders, such as states. USDA stated that it largely agreed with the recommendation. In November 2016, senior USDA officials said that the agency is planning a June 2017 conference on the research and methodology needed to address declines of North American bumble bees and that the conference will represent important progress in establishing a national wild bee survey. In February 2017, USDA provided additional information about proposed activities, including the June 2017 conference and subsequent actions that it believes will allow USDA and the Department of the Interior to provide the framework needed to develop authoritative native pollinator surveys in support of federal efforts to restore and protect native pollinator populations and habitats in the United States.

GAO acknowledges and supports USDA's plans in this regard but continues to believe that these and further steps are needed to fully

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implement this recommendation. A coordinated approach to monitoring, federal agencies' actions to understand native bee populations would help prevent fragmentation. GAO cannot estimate potential cost savings from these actions since complete and comparable cost information is not available across all agencies. Nevertheless, by working with other key agency stakeholders to monitor wild, native bee populations, USDA can help agencies understand their respective roles, focus on the same goals and outcomes, and better solicit input from external stakeholders, such as beekeepers, farmers, pesticide manufacturers, state governments, environmental groups, and others.

Table 17 in appendix VIII lists federal programs and activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to USDA for review and comment. USDA provided information on steps it has taken in response to GAO's recommendation, as discussed above. USDA also provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

*Bee Health: USDA and EPA Should Take Additional Actions to Address Threats to Bee Populations.* [GAO-16-220](#). Washington, D.C.: February 10, 2016.

## 2. Army and Air Force Virtual Training

The Army and Air Force need to improve the management and oversight of their virtual training programs to avoid fragmentation and more efficiently and effectively acquire and integrate virtual devices into operational training and potentially save **tens of millions of dollars**.



Source: Department of Defense/Helene C. Stikkel.

### Potential Benefit

Tens of millions of dollars

### Implementing Entities

Department of Defense

### Link to Actions

GAO identified three actions to help the Army and Air Force improve management of virtual training. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-636](#) and [GAO-16-864](#)

### Contact Information

For additional information about this area, contact Cary B. Russell at (202) 512-5431 or [russellc@gao.gov](mailto:russellc@gao.gov).

The Army and Air Force are challenged to replicate the training conditions that military forces may encounter during operations. Virtual training devices—those that involve a simulator, simulation, or computer-generated battlefield—have become increasingly important to create training conditions that can be difficult to achieve otherwise. The Army and Air Force have spent billions of dollars acquiring virtual training devices and plan to make further investments. For example, the Air Force estimates funding requirements of about \$3.8 billion for its virtual training initiatives from fiscal years 2015 through 2019.

In 2016, GAO reported that the Army and Air Force have not fully integrated the development and sustainment of virtual training devices with service-wide training requirements and strategies because their management approach is fragmented. As a result, their decisions did not maximize available resources. In particular, GAO reported that the Army developed and acquired virtual training devices without basing these decisions on critical factors, such as soldiers' available training time, training tasks and objectives, and expected usage rates for the devices. Further, GAO found that the Army had not consistently assessed the effectiveness of virtual training devices to inform decisions about which of its devices it should sustain. In certain cases the utilization rates for the Army's virtual training devices were low, which suggests the Army would benefit from more consistently conducting such analyses to inform its decisions. For example, as of fiscal year 2015, the Army had an inventory of 18 Common Driver Trainers—used to train personnel to drive the Mine Resistant Ambush Protected Vehicle—that were acquired for approximately \$12 million with additional sustainment costs of about \$750,000 annually, but the device was utilized only 435 hours out of 33,222 hours available in fiscal year 2015.

GAO also reported that the Air Force acquired virtual training devices in a fragmented manner because it lacks a risk-based investment strategy that identifies and prioritizes virtual training needs and a timeline for addressing them, creating inefficiencies in the timing of its investments. For example, the Air Force expects to complete a simulator facility at Nellis Air Force Base in fiscal year 2017 at an estimated cost of \$14 million, but the aircraft simulators will not arrive at the facility until fiscal year 2019 at the earliest, leaving it potentially unused during that interim period, according to Air Force officials. Additionally, GAO found that the Air Force does not have a methodology to fully account for and track the costs of its virtual training program. For example, the Air Force identified

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at least 75 program elements that fund virtual training, but these program elements are not consistently monitored because the automation needed to monitor and conduct trend analyses on these program elements does not currently exist. Air Force officials told GAO that they are working to identify all of its virtual training funding with specific cost categories. These officials reported they have made some progress in tracking operation and maintenance costs for virtual training but none toward tracking investment funding.

GAO made three recommendations to the Army and Air Force, including that the services establish requirements and priorities for virtual training investments, among other actions. In response, DOD generally concurred with the recommendations and identified some actions the services are taking that would improve the management of virtual training programs and address GAO's recommendations. DOD did not provide an update on the status of its efforts to implement GAO's recommendation, as requested in February 2017.

DOD has identified virtual training as a cornerstone of the next generation of training for the department, and both the Army and Air Force have identified billions of dollars in requirements in the coming years for their virtual training plans. Implementation of GAO's recommendations could help the Army and Air Force mitigate the negative effects of fragmentation by allowing the services to acquire virtual training devices based on sound requirements and priorities and potentially save tens of millions of dollars, although the exact amount of saving is unknown because funding for virtual training programs is dispersed across multiple appropriation accounts and program elements and because the Army and Air Force have not developed a methodology to identify their respective virtual training costs. Further, a more consistent approach to assessing the effectiveness of the virtual training devices would allow the Army to fund sustainment costs based on the device's value to operational training.

Table 18 in appendix VIII lists federal programs or activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. DOD provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

*Army Training: Efforts to Adjust Training Requirements Should Consider the Use of Virtual Training Devices.* [GAO-16-636](#). Washington, D.C.: August 16, 2016.

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*Air Force Training: Further Analysis and Planning Needed to Improve Effectiveness.* [GAO-16-864](#). Washington, D.C.: September 19, 2016.

### 3. Construction for Military Contingency Operations

By improving oversight of contingency construction projects, the Department of Defense could potentially reduce duplication and save **millions of dollars**.



Source: Department of Defense/Helene C. Stikkel.

#### Potential Benefit

Millions of dollars

#### Implementing Entities

Department of Defense

#### Link to Actions

GAO identified two actions to improve the oversight of contingency construction funded from Operation and Maintenance appropriations. See GAO's [Action Tracker](#).

#### Related GAO Products

[GAO-16-406](#)

#### Contact Information

For additional information about this area, contact Cary B. Russell at (202) 512-5431 or [russellc@gao.gov](mailto:russellc@gao.gov).

The Department of Defense (DOD) has spent billions of dollars on “contingency construction” projects, such as troop housing and guard towers to support operations in Afghanistan and Iraq. DOD generally funds contingency construction projects costing more than \$1 million from Military Construction (MILCON) appropriations and projects costing \$1 million or less from Operation and Maintenance (O&M) appropriations. DOD has routinely used O&M funding to meet requirements. Further, senior DOD officials stated they do not track use of O&M funds on these projects because it is not required. However, GAO identified records reflecting 2,202 Afghanistan construction projects funded with \$944 million from O&M appropriations for fiscal years 2009–2012. DOD reported \$3.9 billion as enacted for MILCON-funded projects in Afghanistan for the same period.

In September 2016, GAO found that DOD’s reliance on construction projects using O&M funds, which officials view as taking less time for approval, may have resulted in unnecessary duplication because commanders relied on O&M funding, and in the process had created the risk of unnecessarily providing the same service to the same beneficiaries. For example, in 2015, officials decided to move a squadron’s facilities to alternate locations on the base because the host nation reclaimed the space. According to officials, because MILCON projects typically take up to 2 years to be approved, base officials decided to build eight O&M-funded, semipermanent facilities at a total cost of about \$5.2 million at various locations on the base. During the same year, base officials initiated a separate request for \$24 million in MILCON funding to construct a permanent facility for the squadron and others on the base.

In another example, in 2009, DOD entered into an O&M-funded dining service contract that included leasing four facilities. According to DOD figures, the department spent \$43.8 million for leasing and operating the facilities over 5 years. When the contract expired in 2015, officials requested \$64 million for a new contract, including \$27 million to construct five new dining facilities to replace the existing four. During GAO’s review, Army officials expressed concern that the new contract would be an inappropriate expenditure of O&M funds because it would exceed the maximum. An Army investigation found insufficient evidence of an Antideficiency Act violation—making an obligation exceeding available appropriations—with respect to the use of O&M funds under the 2009 contract, but characterized the approach as problematic under Army policy. In 2016, according to an official, instead of pursuing the \$64 million

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contract, DOD purchased the facilities for \$7.8 million. DOD thereby duplicated expenditures by paying leasing costs and then purchasing the facilities.

GAO recommended DOD (1) evaluate and improve the use of existing construction processes and authorities or seek additional authorities as appropriate and (2) track O&M-funded contingency construction projects. DOD partially concurred with the first recommendation, stating it already conducts periodic reviews of authorities. However, several officials GAO interviewed said the current process does not provide the needed speed and flexibility, and GAO continues to believe that DOD should evaluate its use of existing processes and authorities. DOD did not concur with the second recommendation, stating that it would not be cost-effective to develop a tracking system and that doing so would not improve decision making. However, GAO was not suggesting DOD develop a new tracking system, but instead adapt an existing system, such as the Army's General Fund Enterprise Business System. GAO maintains that tracking the projects would improve decision making with regard to contingency construction projects.

Implementing the recommended actions could help DOD avoid unnecessary duplication and save millions of dollars in contingency construction. To estimate the total that DOD could realize in cost avoidance, DOD would need to identify and track its O&M construction projects.

Table 19 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. In March 2017, DOD reiterated its comments to the September 2016 report described above and added that its judgment remains unchanged that capturing O&M-funded construction projects in contingency locations is not reasonable given the fluid nature of contingency operations and locations, which require commanders to rely on this authority as a tool to make expeditious decisions to improve living and operating conditions in very austere locations with available resources. GAO, however, did not recommend limiting or discontinuing the use of O&M-funded construction projects but instead believes that identifying and recording the use and occurrence will improve the department's decision making given that DOD was not aware of the magnitude of its use of O&M funds for construction projects. This could also assist the department in evaluating the necessary actions to implement the first recommendation above.

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## Related GAO Products

*Defense Infrastructure: Actions Needed to Enhance Oversight of Construction Projects Supporting Military Contingency Operations.* [GAO-16-406](#). Washington, D.C.: September 8, 2016.

## 4. Defense Weather Satellites

The Department of Defense could reduce the risk of gaps in weather satellite capabilities by establishing formal mechanisms for coordination and collaboration with the National Oceanic and Atmospheric Administration.



Source: Department of Defense/Helene C. Stikkel.

### Potential Benefit

Reduce risk of gaps in weather satellite capability

### Implementing Entities

Department of Defense

### Link to Actions

GAO identified one action to establish formal mechanisms for coordination and collaboration when planning for defense weather capabilities. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-252R](#) and [GAO-16-769T](#)

### Contact Information

For additional information about this area, contact Cristina T. Chaplain at (202) 512-4841 or [chaplainc@gao.gov](mailto:chaplainc@gao.gov).

As existing satellites near their estimated end of life, the Department of Defense (DOD) faces potential gaps in its ability to monitor weather for military operations. DOD uses military, U.S. civil government—including National Oceanic and Atmospheric Administration (NOAA)—and international partner satellites to provide critical weather data, referred to as space-based environmental monitoring (SBEM) capabilities. DOD and NOAA have different but complementary SBEM missions and requirements but are individually responsible for providing capabilities in certain areas to support continuous coverage. Potential gaps include cloud characterization (using imagery data to make cloud forecasts) and theater weather imagery data (collecting and analyzing weather imagery for specific areas)—DOD's two highest SBEM priorities. In September 2014, DOD completed an analysis of alternatives to compare the most cost-effective solutions for potential gaps and identified increased reliance on international partner satellites as one of the potential solutions.

In July 2016, GAO testified that DOD involved a wide range of DOD stakeholders in the analysis of alternatives but ineffectively engaged with NOAA, contributing to an incorrect assumption about the availability of critical data from a European satellite. The ineffective engagement was due in part to DOD's lack of a formal mechanism for collaboration between the two agencies. DOD did not involve NOAA in meetings and reviews for the analysis of alternatives and, despite some efforts to communicate with NOAA representatives, DOD did not determine the full risks of assuming continued European coverage. DOD did not fully assess space-based solutions for the two highest-priority capabilities in the analysis of alternatives. As a result, DOD is now reassessing ways to meet cloud characterization and theater weather imagery needs.

DOD's lack of coordination with NOAA reflects a broader issue GAO identified in previous reports on duplication, overlap, and fragmentation—that fragmented leadership has created challenges for optimally acquiring, developing, and deploying new space systems. DOD recently announced an effort to work through NOAA to use data from international partners. In September 2016, a European partner moved an existing satellite to provide partial coverage over the Indian Ocean. In addition, DOD and NOAA have recently begun exploring the potential transfer from NOAA to DOD of spare parts that could be used to build a satellite sensor to provide cloud characterization and theater weather imagery data.

To ensure DOD is sufficiently informed about the availability of data from partner satellites as it plans for future SBEM capabilities, GAO recommended that DOD establish formal mechanisms for coordination

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and collaboration with NOAA. DOD stated that existing working-level engagements with NOAA were consistent with the recommendation and that senior NOAA representatives would be invited to participate in future SBEM planning. GAO reiterated that DOD should formalize its efforts, to include clearly defined roles and responsibilities for the two agencies. Additionally, section 1607 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328) directs DOD and NOAA to jointly establish mechanisms to collaborate and coordinate in defining the agencies' roles and responsibilities to carry out SBEM activities and plan for future nongovernmental SBEM capabilities. In January 2017, the Air Force and NOAA signed a memorandum of agreement under which the parties are to establish annexes for interagency acquisitions or support on SBEM efforts. Though a step in the right direction, the parties have not yet established specific arrangements for collecting SBEM data, and the agreement does not cover collaboration between NOAA and DOD entities outside of the Air Force. In February 2017, DOD stated its response to the recent legislative provision was in process. Another potential vehicle for formalizing collaboration is the Committee for Operational Environmental Satellites, managed by NOAA, which is intended to help achieve interagency coordination on operational environmental satellites.

Establishing formal mechanisms for interagency collaboration between DOD and NOAA can help provide clarity about roles and responsibilities and support accountability. It is difficult to determine the financial impact of the recommended action because the costs or savings of increased collaboration are uncertain, but increased collaboration would mitigate potential inefficiencies in future efforts and reduce the need to plan quickly to prevent near-term gaps in critical capabilities.

Table 20 in appendix VIII provides budgetary information for the program related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD and NOAA for review and comment. DOD did not provide comments on this report section. NOAA provided written comments and stated this report section provides a fair assessment of the challenges in interagency coordination of environmental satellite issues between DOD and NOAA. NOAA also provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

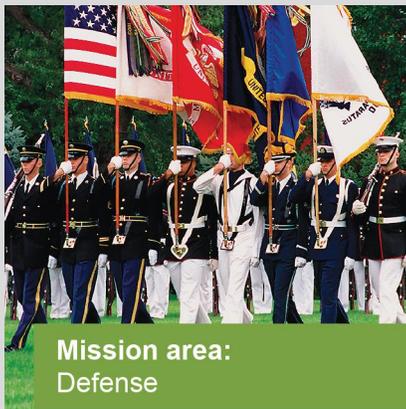
*Defense Weather Satellites: Analysis of Alternatives Is Useful for Certain Capabilities, but Ineffective Coordination Limited Assessment of Two Critical Capabilities.* [GAO-16-252R](#). Washington, D.C.: March 10, 2016.

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*Defense Weather Satellites: DOD Faces Acquisition Challenges for Addressing Capability Needs.* [GAO-16-769T](#). Washington, D.C.: July 7, 2016.

## 5. Department of Defense Advertising

The Department of Defense should improve coordination and information sharing across its fragmented advertising programs for more efficient and effective use of resources.



**Mission area:**  
Defense

Source: Department of Defense/Helene C. Stikkel.

### Potential Benefit

More efficient and effective use of DOD's advertising resources

### Implementing Entities

Department of Defense

### Link to Actions

GAO identified one action for DOD to improve coordination and information sharing. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-396](#)

### Contact Information

For additional information about this area, contact Andrew Von Ah at (202) 512-4300 or [vonaha@gao.gov](mailto:vonaha@gao.gov).

The Department of Defense (DOD) uses advertising as one tool to influence individuals to consider military service and thus meet its recruitment goals. DOD allotted over \$516 million in fiscal year 2016 across seven military service component advertising programs that compete to attract recruits.

In its May 2016 report, GAO found that DOD does not have a formal process for coordinating advertising activities within and among its components. The absence of a formal process for coordination results in the potential for duplication, overlap, and fragmentation. For example, DOD has three advertising programs within the Department of the Air Force and two within the Department of the Army. Industry experts and various military service officials stated that as each military service component purchases advertising space in the same media market, competition among the services could increase the prices of these purchases. They said that coordinating purchases could increase the buying power for certain activities. Officials from one military service component acknowledged that the competition for media purchases most likely results in a more expensive manner of doing business.

Officials from some of the service components cited examples of fragmentation, and stated that they do not have the necessary resources to follow certain best practices. For example, officials from two Air Force components stated that if the Air Force coordinated some advertising functions they could potentially afford to jointly contract for sophisticated modeling functions considered an industry best practice for determining the best use of advertising dollars. A January 2016 report from the National Commission on the Future of the Army recommended the Army establish pilot programs to align recruiting efforts of all its components to yield increased efficiency and effectiveness in recruiting and advertising, among other things.

In May 2016, GAO recommended that DOD develop a formal process for coordination among its components on crosscutting advertising issues to facilitate better leveraging of resources. In response, DOD agreed that improved coordination is important and stated that it is developing an instruction for marketing and that this guidance will formalize coordination among the military services and their advertising programs, which it stated should facilitate better leveraging of resources. A DOD official stated that the instruction should be finalized around August 2017.

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Implementation of this recommendation could allow DOD to better leverage its advertising resources to meet its goals for recruiting military personnel. DOD would be better positioned to identify and better manage unnecessary duplication, overlap, and fragmentation in its advertising programs and then use the identified efficiencies to more effectively execute the difficult task of advertising in support of recruiting. Although better coordination would likely result in greater efficiencies, a specific cost savings estimate would require additional information about these changes.

Table 21 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. The department did not provide comments on this report section.

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## Related GAO Products

*Public Relations Spending: Reported Data on Related Federal Activities.* [GAO-16-877R](#). Washington, D.C.: October 5, 2016.

## 6. Federal Critical Raw Materials Activities

To better manage fragmentation of agencies' critical raw materials activities, the Office of Science and Technology Policy should enhance interagency collaboration and take full advantage of agencies' expertise and resources.



Source: PhotoDisc.

### Potential Benefit

Improved collaboration in identifying and mitigating supply risks for critical raw materials

### Implementing Entities

Office of Science and Technology Policy

### Link to Actions

GAO identified three actions to help the Office of Science and Technology Policy enhance interagency collaboration in addressing critical materials supply issues. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-699](#)

### Contact Information

For additional information about this area, contact John Neumann at (202) 512-3841 or [neumannj@gao.gov](mailto:neumannj@gao.gov).

Certain metals, minerals, and other “critical” raw materials—materials that are subject to supply risk and important to U.S. economic or national security interests—play an important role in the production of advanced technologies across a range of industrial sectors and defense applications. For example, the rare-earth materials neodymium and dysprosium are used in the manufacture of permanent magnets, which are used in automotive motors, wind turbines, and a variety of other applications because of their unique properties, such as magnetism at high temperatures. The supply of some critical materials is concentrated under foreign control, which has renewed questions about the U.S. government's and industry's ability to address potential supply disruptions. In September 2016, GAO identified 12 federal agencies that implement critical materials activities. These activities were primarily focused on assessing risk and supporting research but also included a range of other activities, such as stockpiling or producing materials and reviewing and approving resource-extraction projects.

In 2010, the National Science and Technology Council chartered the Subcommittee on Critical and Strategic Mineral Supply Chains (Subcommittee) as an interagency working group cochaired by the Office of Science and Technology Policy (OSTP) to provide advice and assistance on policies, plans, and procedures for mitigating mineral supply risks. Although the Subcommittee was chartered to facilitate a strong, coordinated effort across its member agencies on critical minerals activities, its efforts to coordinate agencies' activities are not consistent with selected key practices for enhancing and sustaining interagency collaboration, including agreeing on roles and responsibilities; establishing mutually reinforcing or joint strategies; and developing mechanisms to monitor, evaluate, and report on results.

In September 2016, GAO found that the Subcommittee had not taken steps to actively engage all member agencies in its efforts and has not clearly defined member agencies' roles and responsibilities. As a result, a number of member agencies did not have a clear role in the Subcommittee's efforts and had limited or no involvement in its work. For example, the Department of Homeland Security (DHS) was designated a member of the Subcommittee and analyzes U.S. dependence on foreign infrastructure, including foreign sources of critical materials, but had not identified anyone to participate in the Subcommittee. Additionally, the Subcommittee had not developed joint strategies to achieve a common

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outcome with regard to federal critical materials efforts and did not have a mechanism to monitor and evaluate progress across all areas of its activities.

GAO recommended that the Director of OSTP, working with the Subcommittee and agency leadership, as appropriate, take actions to strengthen the federal approach to addressing critical materials supply issues through enhanced interagency collaboration, including defining Subcommittee member roles and responsibilities, developing joint strategies and identifying contributing agencies' efforts, and developing a mechanism to evaluate and periodically report on these efforts. OSTP neither agreed nor disagreed with the recommended actions. As of February 2017, OSTP stated that an increasing number of agencies participate in Subcommittee discussions and activities, including agencies that had not previously been involved such as DHS and the Department of Agriculture's Forest Service. OSTP further stated that when the Subcommittee's charter is considered for renewal in spring 2017, OSTP will reach out to all federal agencies with relevant responsibilities to discuss their roles in the Subcommittee's efforts and to encourage them to name a lead representative and regularly participate.

By ensuring that all relevant member agencies are engaged in its efforts and have agreed-upon and clearly defined roles and responsibilities, the Subcommittee will have more reasonable assurance that it can effectively marshal the potential contributions of all member agencies to take full advantage of their expertise and resources in addressing critical materials supply issues. Further, developing joint strategies and identifying contributing agencies' efforts, and developing a mechanism to evaluate and periodically report on its efforts, could help the Subcommittee better coordinate agencies' critical materials activities to ensure they are mutually reinforcing and effectively implemented.

Table 22 in appendix VIII lists federal programs or activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OSTP for review and comment. OSTP provided written comments. OSTP neither agreed nor disagreed with the actions identified, but stated that it welcomed opportunities to enhance interagency collaboration. With respect to clearly defining roles and responsibilities of agencies, OSTP stated that it prefers flexibility to a rigid definition, as this facilitates cooperation and better accommodates changing circumstances. However, GAO continues to believe clearly defining roles and responsibilities could help Subcommittee members enhance collaboration by more effectively organizing their efforts and facilitating decision making.

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## Related GAO Products

*Advanced Technologies: Strengthened Federal Approach Needed to Help Identify and Mitigate Supply Risks for Critical Raw Materials.*

[GAO-16-699](#). Washington, D.C.: September 7, 2016.

## 7. Federal Grant Awards

The National Park Service, Fish and Wildlife Service, Food and Nutrition Service, and the Centers for Disease Control and Prevention have not established guidance and a formal process to ensure their grant-management staff review applications for potential duplication and overlap among grants in their agencies before awarding competitive grants and cooperative agreements.



**Mission area:**  
General government

Source: PhotoDisc.

### Potential Benefit

Ensure federal funds are efficiently awarded

### Implementing Entities

Departments of the Interior, Health and Human Services, and Agriculture

### Link to Actions

GAO identified three actions to reduce potential duplication and overlap in federal grant awards and cooperative agreements. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-113](#)

### Contact Information

For additional information about this area, contact Heather Krause at (202) 512-6806 or [krauseh@gao.gov](mailto:krauseh@gao.gov).

Eliminating duplication and unnecessary overlap in grant-award funding can save public dollars and minimize waste, and requiring awarding agencies to have formal approaches to review for duplicative or overlapping grant awards would promote stronger controls to ensure federal grant funds are efficiently awarded. Because the federal government distributes billions of dollars annually to state and local governments, educational institutions, and nonprofit organizations to achieve a wide range of national priorities, effective oversight and internal controls are of fundamental importance in assuring the proper use of federal funds to achieve program goals.

In January 2017, GAO found that only two of the six selected subagencies GAO reviewed—selected in part based on the size of grant outlays in fiscal year 2014—had developed formal processes and guidance for identifying potentially duplicative grant funding. These two subagencies—the National Institutes of Health at the Department of Health and Human Services (HHS) and the National Institute of Food and Agriculture at the Department of Agriculture (USDA)—had processes that included searches for the same project within databases containing ongoing and completed research projects or systematic reviews of an applicant's other project support. The National Park Service and Fish and Wildlife Service at the Department of the Interior (Interior), the Centers for Disease Control and Prevention at HHS, and the Food and Nutrition Service at USDA did not have such processes and guidance. While GAO did not find examples of duplication or overlap in this review, in previous work it did identify risks of awarding duplicative and overlapping grants. In fiscal year 2016, the four subagencies that did not have processes to identify potentially duplicative grant funding obligated \$1.15 billion in competitively awarded federal grants and cooperative agreements.

GAO recommended that the Secretaries of the Interior, Health and Human Services, and Agriculture direct the National Park Service, Fish and Wildlife Service, Centers for Disease Control and Prevention, and Food and Nutrition Service to issue written guidance that ensures their grant-management staff review grant applications for potential duplication and overlap before awarding their competitive grants and cooperative agreements. Officials from all four subagencies said that they rely on informal processes for identifying potentially duplicative grant funding and acknowledged the importance of identifying information about applicants' other funding before making final grant-award decisions. All agencies agreed with the recommendations. As of February 2017, Interior said that National Park Service and Fish and Wildlife Service plan to issue

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guidance to grant-management staff requiring all grant applicants to submit for review statements indicating any potential duplication or overlap. Agriculture is developing formal written guidance to be issued by the end of fiscal year 2017 for use in fiscal year 2018. HHS said that it has implemented a process where CDC grants management staff will ask potential awardees about possible duplication or overlap and, if necessary, instruct potential awardees to report on how it will be addressed. In addition, future CDC funding opportunity announcements will include instructions to applicants to report duplication or overlap with any other application or award.

Requiring reviews for duplicative or overlapping awards and establishing the requirement in agency guidance would promote stronger controls to ensure federal grant funds are efficiently awarded. Eliminating unnecessary duplication and overlap could save public dollars and allow grant funds to be used more efficiently and effectively.

Table 23 in appendix VIII lists federal programs or activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Interior, HHS, and USDA for review and comment. Interior, HHS, and USDA provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

*Grants Management: Selected Agencies Should Clarify Merit-Based Award Criteria and Provide Guidance for Reviewing Potentially Duplicative Awards.* [GAO-17-113](#). Washington, D.C. January 12, 2017.

## 8. Federal Hiring

The Office of Personnel Management and agencies should identify opportunities to refine federal hiring authorities, expand access to specific authorities found to be highly efficient and effective, and eliminate those found to be less effective.



**Mission area:**  
General government

Source: PhotoDisc.

### Potential Benefit

Simplify and improve the federal hiring process

### Implementing Entities

Office of Personnel Management

### Link to Actions

GAO identified two actions to strengthen federal hiring. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-521](#)

### Contact Information

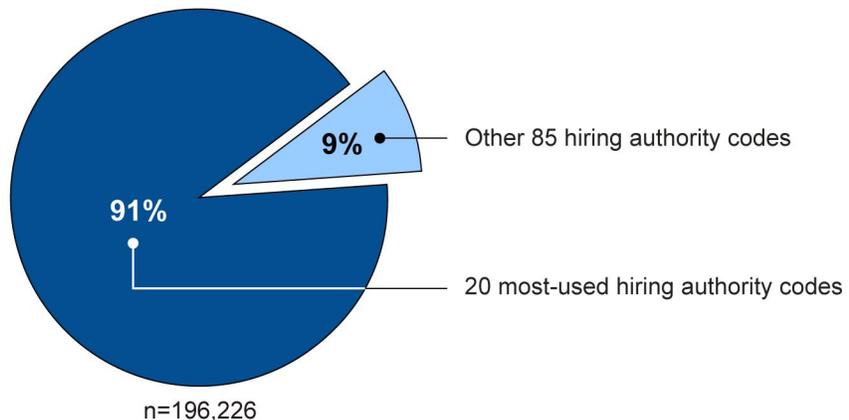
For additional information about this area, contact Robert Goldenkoff at (202) 512-2757 or [goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov).

To acquire needed talent, agencies need a hiring process that is applicant-friendly, flexible, and meets policy requirements, such as hiring on the basis of merit. A number of hiring authorities have been created to expedite the hiring process or to achieve certain public policy goals. A hiring authority is the law, executive order, or regulation that allows an agency to hire a person into the federal civil service.

GAO's analysis of Office of Personnel Management (OPM) data found that of the 105 hiring authorities used in fiscal year 2014, 20 were used to fill over 90 percent of the almost 200,000 vacancies. Agencies used 85 hiring authorities to fill the rest of the positions (see figure). OPM and the agencies did not measure the effectiveness of individual hiring authorities. As a result, OPM officials said they did not know whether agencies relied on a small number of authorities because they were unfamiliar with other authorities, or whether they found other authorities to be less effective in meeting their needs. Without these types of analyses, it is unclear to what extent certain hiring authorities are potentially duplicative and could be refined, consolidated, or eliminated.

### Agencies Relied on 20 Hiring Authorities for Nearly All New Hires in Fiscal Year 2014

Breakdown of total hiring actions in fiscal year 2014



Source: GAO analysis of Office of Personnel Management data. | GAO-17-491SP

The competitive examining hiring authority, generally seen as the traditional method for federal hiring, was the single most-used authority in fiscal year 2014, but accounted for less than 25 percent of all new appointments. OPM tracks data on agency time-to-hire, manager and

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applicant survey results, and compliance audits to assess the hiring process. However, neither OPM nor agencies use this information to analyze the effectiveness of hiring authorities. As a result, OPM and agencies do not know whether authorities are meeting their intended purposes.

GAO recommended in August 2016 that OPM, along with the Chief Human Capital Officer (CHCO) Council, assess federal hiring authorities to identify opportunities to refine authorities, expand access to specific authorities found to be highly efficient and effective, and eliminate those found to be less effective. OPM should further implement changes (including obtaining necessary presidential authorization) or work with the CHCO Council to develop legislative proposals where authorization is required. OPM concurred with the recommendations and said it plans to continue exploring opportunities for improving the hiring system by analyzing existing hiring authorities with an eye towards modernization. For example, in August 2016, OPM published the findings of a recent study on the use and effectiveness of the Pathways Programs' hiring authorities—designed to hire student interns and recent graduates—and said that for fiscal year 2017 it is planning to review the effect of certain excepted-service hiring authorities in meeting agencies' needs. As of February 2017, OPM informed GAO that it has taken several actions to start this review, including beginning to survey hiring managers, interview human resources staff, and review relevant hiring actions across the executive branch, and said that it plans to issue a report in 2018.

Studies or assessments of specific hiring authorities and/or processes would help OPM and agencies better manage the suite of hiring authorities and identify opportunities to simplify and improve the hiring process by refining, consolidating, or eliminating some authorities or by expanding provisions of some agency-specific authorities to more agencies. Strengthening hiring efforts would help improve the government's ability to compete in the labor market for top talent.

Table 24 in appendix VIII lists federal programs or activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OPM for review and comment. OPM stated that it had taken steps to address one of the recommendations, as discussed above. OPM did not provide an update on the other recommendation. GAO incorporated this information as appropriate.

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## Related GAO Products

*Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities.* [GAO-16-521](#). Washington, D.C. August 2, 2016.

## 9. Grants for Transit Resilience

To mitigate the negative effects of fragmentation across federal funding streams, the Department of Transportation should examine the \$3.6 billion in funding the Federal Transit Administration awarded toward transit resilience projects for potential duplication with other resilience efforts.



**Mission area:**  
General government

Source: PhotoDisc.

### Potential Benefit

Mitigate the negative effects of fragmentation across federal funding streams

### Implementing Entities

Department of Transportation

### Link to Actions

GAO identified one action to help mitigate the negative effects of fragmentation of federal funding for disaster resilience. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-20](#)

### Contact Information

For additional information about this area, contact Mark Goldstein at (202) 512-2834 or [goldsteinm@gao.gov](mailto:goldsteinm@gao.gov).

In November 2014, the Federal Transit Administration (FTA) selected 40 projects to receive \$3.6 billion in grants to increase the resilience of transit systems to withstand future disasters in the areas affected by Hurricane Sandy. FTA included criteria and policy priorities in its Notice of Funding Availability for these grants (issued in December 2013), including the policy priority that projects should promote a regional approach to resilience.

In December 2016, GAO found that while FTA collected information about resilience efforts outside of FTA, it did not consider this information when evaluating and selecting projects for award. Additionally, due to the fragmented nature of the federal government's approach toward disaster resilience, FTA funded projects that may provide benefits duplicative of resilience efforts being performed outside of FTA and that may no longer be needed if other resilience projects in the same region are implemented. According to GAO's analysis, the Department of Housing and Urban Development, applicants, and FTA reviewers raised concerns about 6 of the 40 FTA-funded projects and their relation to other resilience projects in the same region. For example, an FTA team reviewing the grant applications commented that if a local resilience project were ultimately built, the FTA project would not be needed.

Given that most of FTA's discretionary transit resilience grants are still in development and have not yet fully obligated funds, GAO recommended that the Department of Transportation (DOT) examine the projects FTA funded under the discretionary transit resilience grant program for potential duplication with other resilience efforts and determine whether it would be appropriate to realign funds for FTA-supported projects for other authorized purposes or request that Congress rescind funds from the FTA-supported projects. In March 2017, DOT reported that it agreed with GAO's recommendation and that it is planning to coordinate with federal agency coordination groups to determine whether there is any potential duplication of resilience efforts in the region. DOT reported that it plans to complete this effort and determine actions for FTA supported projects as appropriate by September 30, 2017.

Financial benefits associated with implementing this recommendation cannot be quantified because DOT has not yet taken steps to determine the extent of any potential duplication between FTA-funded resilience projects and other resilience efforts. However, doing so may help DOT ensure that the FTA-supported projects are effectively coordinated with other resilience efforts and help minimize the fragmentation of the federal government's disaster resilience efforts. Further, such an evaluation may

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help identify cases where FTA-supported projects may need to be revised or may no longer be needed. In such cases, realigning funds for other authorized purposes, or requesting a rescission of these funds, may be appropriate.

Table 25 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOT for review and comment. While DOT agreed with GAO's recommendation, the Deputy Director for Audit Relations and Program Improvement at DOT stated in February 2017 that the Department disagrees with GAO's assessment and believes that FTA gave appropriate consideration to comments received by other federal agencies during the selection process. DOT's written comments provided no further evidence of how, if at all, FTA considered the information it received from the Department of Housing and Urban Development, applicants, and FTA reviewers on the projects' relation to other resilience projects in the same region. Therefore, GAO made no changes to the report section in response to these comments. In a March 2017 letter to the Office of Management and Budget and congressional committees, DOT stated that it is planning to coordinate with federal agency coordination groups to determine whether there is any potential duplication of resilience efforts in the region and would determine actions for FTA supported projects as appropriate by September 30, 2017.

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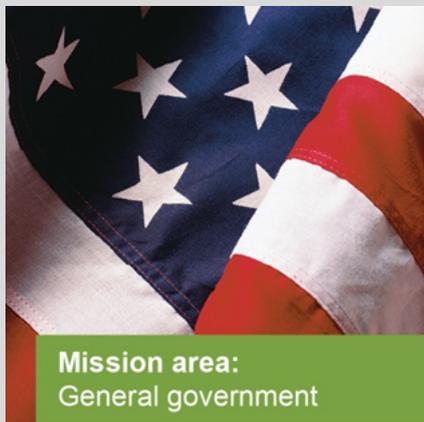
## Related GAO Products

*DOT Discretionary Grants: Problems with Hurricane Sandy Transit Grant Selection Process Highlight the Need for Additional Accountability.*  
[GAO-17-20](#). Washington, D.C.: December 14, 2016.

*Hurricane Sandy: An Investment Strategy Could Help the Federal Government Enhance National Resilience for Future Disasters.*  
[GAO-15-515](#). Washington, D.C.: July 30, 2015.

# 10. Recovery Operations Center Closure

A proposal for centralized analytics and investigative support for the oversight community would help Congress decide whether to authorize such an entity to mitigate the risk of potential duplication and fragmentation and provide valuable tools for targeting resources to help reduce improper payments.



Source: PhotoDisc.

### Potential Benefit

Reducing improper payments

### Implementing Entities

Congress

### Link to Actions

GAO identified one action for Congress to help address fragmentation and duplication. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-15-814](#)

### Contact Information

For additional information about this area, contact Seto Bagdoyan at (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov).

Improper payments government-wide for fiscal year 2016 totaled over \$144 billion, a number that has increased considerably in recent years. Since fiscal year 2003, cumulative improper payment estimates have totaled over \$1 trillion. One component of a strategy to reduce improper payments is implementing effective detection techniques, including data analytics, to prevent, identify, and recover improper payments, including those that are the result of fraud. Originally created in October 2009 by the Recovery Accountability and Transparency Board (Recovery Board), the Recovery Operations Center (ROC) was a central data-analytics service to support fraud detection and prevention and assist the oversight community—government entities that are tasked with ensuring the appropriate use of federal funds—in its efforts to prevent fraud, waste, and abuse.

The ROC closed on September 30, 2015, when the authority for the Recovery Board sunset. Prior to the sunset, the Digital Accountability and Transparency Act of 2014 (DATA Act) authorized the Department of the Treasury (Treasury) to establish a data-analysis center or expand an existing service to provide data, analytic tools, and data-management techniques to support the prevention and reduction of improper payments by federal agencies and thus to improve the efficiency and transparency of federal spending. If Treasury had elected to exercise its discretionary authority to establish a data-analysis center or expand an existing service, assets of the ROC relating to the detection of fraud and abuse in the use of federal funds could have been transferred. Treasury did not transfer the ROC's assets—such as hardware and software—citing cost, lack of investigative authority, and other reasons. Treasury officials explained that transferring the ROC's assets would not be cost-effective or add value to Treasury operations that identify, prevent, and recover improper payments. Additionally, Treasury's Fiscal Assistant Secretary testified that while the DATA Act authorized Treasury to transfer the Recovery Board's assets, the act did not transfer the Recovery Board's authorities, including law-enforcement authority, to Treasury.

The ROC's dissolution created a gap in analytics capability for the oversight community. Officials at some large Offices of Inspector General (OIG) that used the ROC told GAO they intend to develop their own analytical capabilities. In contrast to those individual efforts, a centralized analytics resource could help prevent a potentially inefficient use of funds that could result if OIGs proceed to duplicate similar oversight tools.

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GAO suggested in September 2015 that Congress consider directing the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which provides oversight resources and guidance to the OIG community, to develop a legislative proposal that explicitly articulates the relative cost and benefits of developing an analytics center with a mission and capabilities similar to the ROC to reestablish the essence of the center's proven value to its users. At the time, CIGIE officials stated that a proposal to reconstitute some of the ROC's analytic capabilities could help reduce duplication across OIGs. As of February 2017, CIGIE officials stated that they have not developed formal language for such a proposal for Congressional consideration, although they are poised to do so, if requested. CIGIE officials said that with Congress's support they could develop a proposal to (1) expand analytic resources to the oversight community and (2) help refine the tools Congress and the oversight community use to address improper payments and fraud, waste, and abuse. As of March 2017, no legislation has been introduced.

Creating an analytics center similar to the ROC may help mitigate the risk of potential duplication and fragmentation and provide valuable tools useful for targeting resources to help reduce improper payments. However, GAO cannot estimate potential cost savings because the extent of data-analytics duplication following the closure of the ROC is unknown.

Table 26 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CIGIE for review and comment. CIGIE provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

*Federal Spending Accountability: Preserving Capabilities of Recovery Operations Center Could Help Sustain Oversight of Federal Expenditures.* [GAO-15-814](#). Washington, D.C.: September 14, 2015.

# 11. Use of the Do Not Pay Working System

The Office of Management and Budget needs to develop a strategy and additional guidance on the use of the Do Not Pay working system, and Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file through the system to reduce improper payments and mitigate the risks associated with potential duplication.



**Mission area:**  
General government

Source: PhotoDisc.

#### Potential Benefit

Reduce improper payments

#### Implementing Entities

Office of Management and Budget and Congress

#### Link to Actions

GAO identified two actions for the Office of Management and Budget and one action for Congress to reduce improper payments and mitigate the risk of potential duplication. See GAO's [Action Tracker](#).

#### Related GAO Products

[GAO-17-15](#)

#### Contact Information

For additional information about this area, contact Beryl H. Davis at (202) 512-2623 or [davisbh@gao.gov](mailto:davisbh@gao.gov).

Improper payments are a long-standing, significant problem across the federal government, with reported estimates of over \$144 billion for fiscal year 2016. One method to help prevent improper payments is up-front verification of eligibility through data sharing and matching. The Do Not Pay (DNP) working system—established by the Office of Management and Budget (OMB) and hosted by the Department of the Treasury—is a web-based, centralized data-matching service that allows agencies to review multiple databases to help verify a payee's eligibility to receive the funds before making a payment. For example, agencies reported that use of the DNP working system prevented approximately \$680,000 in improper payments in fiscal year 2015.

In October 2016, GAO found that the 10 agencies it reviewed used the DNP working system in limited ways, although almost all of these agencies accessed the data available through the DNP working system through other means, such as receiving data directly from the agency that maintains them. Officials at two agencies GAO reviewed also reported concerns that the DNP working system's payment integration process—which matches agency payment files sent to the Department of the Treasury against the Social Security Administration's (SSA) Death Master File and the General Services Administration's System for Award Management exclusion records to identify whether recipients may be deceased or barred from receiving federal awards at the time of payment—was potentially duplicative of their agencies' existing efforts. OMB has not developed a strategy or guidance on whether and how agencies should use the DNP working system, including the payment integration process, to complement or streamline existing data-matching efforts.

GAO also found that the DNP working system is missing some death records that could help agencies reduce improper payments to deceased individuals. Specifically, the death records available through the DNP working system do not include SSA's state-reported death data. SSA officials stated that the Social Security Act limits sharing of the agency's full death file to agencies that administer federal benefit programs. The full death file contains about 10 percent more death records than SSA's Death Master File offered by the DNP working system. SSA officials stated that sharing SSA's full death file through the DNP working system would require an amendment to the Social Security Act.

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GAO made two recommendations to OMB to (1) provide additional guidance that clarifies whether the use of the DNP working system's payment integration process is required and (2) develop a strategy with guidance on how agencies should use the DNP working system to complement or streamline existing data-matching processes. In response, OMB agreed with the recommendation to provide guidance on the use of DNP's payment integration process. OMB generally agreed with the concept of developing a strategy for how agencies should use the DNP working system and stated that it would explore the concept further. GAO also suggested that Congress consider amending the Social Security Act to explicitly allow SSA to share its full death file for use through the DNP working system. OMB did not provide an update on the status of its efforts to implement GAO's recommendation, as requested in February 2017.

While it is unclear how many improper payments the additional death records could prevent or what the total value of those payments would be, sharing the full death file through the DNP working system would provide agencies with additional information and strengthen efforts to reduce improper payments to deceased individuals. Further, a strategy and additional guidance could help agencies to more efficiently and effectively use the DNP working system to mitigate the risks associated with potential duplication and reduce improper payments.

Table 27 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OMB for review and comment. OMB did not provide comments on this report section.

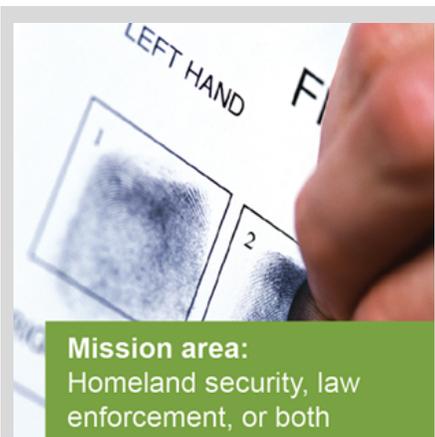
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## Related GAO Products

*Improper Payments: Strategy and Additional Actions Needed to Help Ensure Agencies Use the Do Not Pay Working System as Intended.* [GAO-17-15](#). Washington, D.C.: October 14, 2016.

## 12. Missing and Unidentified Persons Data

The Federal Bureau of Investigation and National Institute of Justice could reduce overlap and fragmentation of data on missing and unidentified persons by evaluating and implementing options to improve data sharing, thereby helping to solve these cases more efficiently.



Source: PhotoDisc.

### Potential Benefit

Increased efficiency in solving missing and unidentified-persons cases

### Implementing Entities

Federal Bureau of Investigation and National Institute of Justice

### Link to Actions

GAO has identified one action for agencies to improve data sharing on missing and unidentified persons cases. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-515](#)

### Contact Information

For additional information about this area, contact Diana Maurer at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov).

Every year, more than 600,000 people are reported missing and hundreds of human remains go unidentified. Two primary databases supported by the Department of Justice (DOJ)—the Federal Bureau of Investigation's (FBI) National Crime Information Center and the National Institute of Justice's (NIJ) National Missing and Unidentified Persons System—contain data to help solve these cases. However, access to the National Crime Information Center is limited to authorized criminal justice agencies, such as law-enforcement organizations, while the National Missing and Unidentified Persons System is a publicly accessible database that is primarily used by medical examiners and coroners.

GAO found that data contained in these systems were fragmented and overlapping. For example, in fiscal year 2015, 3,170 long-term missing persons cases were reported to the National Missing and Unidentified Persons System, while 84,401 missing persons records reported to the National Crime Information Center became long-term cases. Because there is no mechanism to share information between the systems, users relying on only one system may miss information that could be instrumental in solving these types of cases. DOJ officials and users of the systems have implemented some processes to help limit this fragmentation, but these processes introduce additional inefficiencies because they require officials to manually review and enter case data into both systems, resulting in duplicative data entry.

GAO recommended in 2016 that the FBI and the NIJ evaluate the legal and technical feasibility of sharing certain information among authorized users of the systems, and incorporate feasible data-sharing options as appropriate. DOJ did not agree with the recommendation, stating that it lacked legal authority to fully integrate the systems. However, GAO did not recommend fully integrating the systems, and maintains that DOJ can and should study options for sharing information within the confines of the legal framework. In March 2017, DOJ reiterated its position that any such sharing was prohibited by the law. Specifically, DOJ stated that the FBI's system can only share information with authorized users, dissemination is limited to those individuals performing law enforcement, and that additional efforts to examine other options would waste taxpayer funds.

By evaluating the technical and legal feasibility of options to share information, such as a notification alert to inform users of the National Crime Information Center if related case data are present in the National

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Missing and Unidentified Persons System, documenting the results, and implementing feasible options, DOJ could better inform those who are helping solve missing and unidentified persons cases. GAO could not estimate any cost savings resulting from this recommendation, but implementation could reduce overlap and fragmentation of data on missing and unidentified persons, thereby helping to solve these cases more efficiently.

Table 28 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOJ for review and comment. The department responded and reiterated the comments it provided in the June 2016 report. In commenting on GAO's June 2016 report on which portions of this analysis are based, DOJ disagreed with GAO's recommendation, because DOJ believes it does not have the legal authority to fulfill the corrective action as described in the proposed recommendation. Specifically, DOJ stated that the National Missing and Unidentified Persons System does not qualify, under federal law, for access to the National Crime Information Center and is not an authorized user to receive National Crime Information Center data. Therefore, DOJ does not believe there is value in evaluating the technical feasibility of integrating these two databases.

GAO understands the legal framework placed on the National Crime Information Center and that it may be restricted from fully integrating with a public database. However, this statutory restriction does not preclude DOJ from exploring options to more efficiently share information within the confines of the current legal framework. Until DOJ studies whether such feasible mechanisms exist, it will be unable to make this determination, risking continued inefficiencies through fragmentation and overlap.

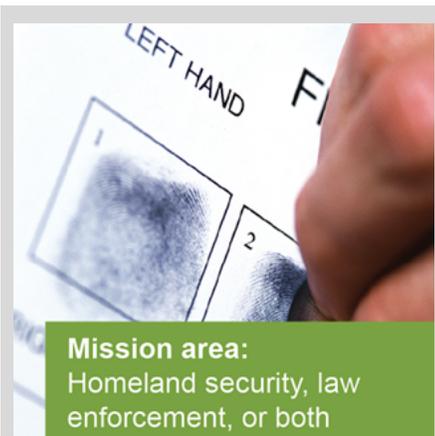
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## Related GAO Products

*Missing Persons and Unidentified Remains: Opportunities May Exist to Share Information More Efficiently.* [GAO-16-515](#). Washington, D.C.: June 7, 2016.

## 13. Sexual Violence Data

The Office of Management and Budget should convene an interagency forum to better manage fragmentation of efforts to collect sexual violence data that can improve the overall understanding of the scope of this problem in the United States.



Source: PhotoDisc.

### Potential Benefit

Improve agency collaboration and the understanding of the scope of sexual violence in the United States

### Implementing Entities

Office of Management and Budget

### Link to Actions

GAO identified one action to address differences across sexual violence statistics. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-546](#)

### Contact Information

For additional information about this area, contact Gretta Goodwin at (202) 512-8777 or [goodwing@gao.gov](mailto:goodwing@gao.gov).

Research has shown that sexual violence has long-lasting effects on victims, including sexually transmitted diseases, eating disorders, anxiety, depression, and post-traumatic stress disorder. Further, the economic costs of rape, including medical and social services, loss of productivity, decreased quality of life, and law-enforcement resources, are estimated by academic research to range from about \$41,000 to \$150,000 per incident. Data on the occurrence of sexual violence are critical to preventing, addressing, and understanding the consequences of these types of crimes.

Four federal agencies—the Department of Defense, Department of Education, Department of Health and Human Services, and Department of Justice—manage at least 10 efforts to collect data on sexual violence, which differ in target population, terminology, measurements, and methodology. These data collection efforts use 23 different terms to describe sexual violence. Data collection efforts also differ in how they categorize particular acts of sexual violence, the context in which data are collected, data sources, units of measurement, and time frames. Differences in these efforts may hinder the understanding of the overall occurrence of sexual violence. Further, agencies' efforts to explain and minimize differences have been fragmented—generally only involving 2 of the 10 data collection efforts at a time—and limited in scope.

The Committee on National Statistics' *Principles and Practices for a Federal Statistical Agency* (2013) calls for federal agencies that produce similar federal statistics, with different missions, to coordinate and collaborate with each other to meet current information needs and provide new data or more useful data than a single system can provide. The guidance encourages collaborative interagency efforts and highlights the importance of agencies developing standard definitions as a way to maximize the value and comparability of data. Under its authority in the Paperwork Reduction Act, the Office of Management and Budget (OMB) has convened interagency working groups to assess differences across data collection efforts and determine which of those differences are beneficial and which are unnecessary, but it has not convened a working group on sexual violence data.

In its July 2016 report, GAO recommended that the Director of OMB establish a federal interagency forum on sexual violence statistics. The forum should consider the broad range of differences across the data collection efforts to assess which differences enhance or hinder the overall understanding of sexual violence in the United States. OMB stated

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that convening a forum may not be the most effective use of resources at this time, in part because the agencies are not far enough along in their research. However, OMB said it will consider convening an interagency forum or sharing information across agencies in the future. Because 7 of the 10 data collection efforts have been in place for more than 10 years, and several have been in place for multiple decades, GAO disagrees with OMB's assertion that none of the research efforts are far enough along for OMB to provide guidance and best practices. GAO maintains that given the number of federal data collection efforts, the range of differences across them, and the potential for causing confusion, it would be beneficial for agencies to discuss these differences and determine whether they are, in fact, necessary.

Timely implementation of this recommendation could improve the public's and policymakers' understanding of sexual violence data and the scope of the problem of sexual violence in the United States. GAO could not estimate any cost savings resulting from this recommendation, but implementation could improve the effectiveness and efficiency of policies developed to combat sexual violence.

Table 29 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OMB for review and comment. OMB provided technical comments, which were incorporated as appropriate. OMB stated that the Department of Justice's Bureau of Justice Statistics and the Department of Health and Human Services' Centers for Disease Control and Prevention are working together to conduct research on how data collection methodologies, including how questions are asked, affect the measurement of sexual violence in the context of each agency's programmatic needs. OMB reiterated that this research is not far enough along to warrant the investment of resources to establish a formal interagency working group. OMB stated that it has taken steps to enhance collaboration among the agencies, including facilitating discussion of data collection parameters that affect sexual violence reporting.

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## Related GAO Products

*Sexual Violence Data: Actions Needed to Improve Clarity and Address Differences Across Federal Data Collection Efforts.* [GAO-16-546](#). Washington, D.C.: July 19, 2016.

# 14. Foreign-Assistance Data Quality

As a key step to address the potential overlap in the collection and reporting of foreign assistance information, the Department of State, in consultation with U.S. Agency for International Development and the Office of Management and Budget, needs to improve data quality to ensure consistency in published information.



Source: PhotoDisc.

## Potential Benefit

More efficient collection and reporting of U.S. foreign-assistance data

## Implementing Entities

Department of State

## Link to Actions

GAO identified two actions to improve the quality of data on foreign assistance. See GAO's [Action Tracker](#).

## Related GAO Products

[GAO-16-768](#)

## Contact Information

For additional information about this area, contact David Gootnik at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov).

The Department of State's (State) ForeignAssistance.gov website aims to enable U.S. citizens, civil-society organizations, Congress, federal agencies, partner countries, and other donors to research and track U.S. government foreign-assistance investments in an accessible and easily understood format. In August 2016, GAO found that the data on ForeignAssistance.gov were incomplete and that State was not fully transparent about the website's data limitations. This was, in part, because State did not update ForeignAssistance.gov with data that are verified and reported by the U.S. Agency for International Development (USAID). Specifically, GAO's analysis of fiscal year 2014 data showed that, for the 10 agencies with data on ForeignAssistance.gov, the website did not include over \$10 billion in disbursements and about \$6 billion in obligations data that USAID had reported.

USAID compiles foreign-assistance data from 22 federal agencies to meet an annual reporting requirement to Congress. USAID also presents these data on its website called the Foreign Aid Explorer. In contrast, ForeignAssistance.gov reports quarterly data, and GAO found that it only does so for 10 federal agencies. Nevertheless, the information reported on ForeignAssistance.gov would be expected to be consistent with USAID's reporting, in part because both agencies use essentially the same definition of foreign assistance—based upon Section 634 of the Foreign Assistance Act of 1961, as amended. However, State and USAID officials told GAO that they are unable to update ForeignAssistance.gov with USAID-verified data because of differences in their datasets. For example, ForeignAssistance.gov data include up to 189 data fields; however, USAID verifies the information only for a subset of about 20 data fields. Additionally, ForeignAssistance.gov identifies and reports data at the transaction level, whereas USAID aggregates the transaction-level data to the activity level.

On July 15, 2016, the Foreign Aid Transparency and Accountability Act of 2016 (Public Law 114-191) was enacted, which noted the sense of Congress that by the end of fiscal year 2018 the Secretary of State and the Administrator of USAID should coordinate the consolidation of data collection and presentation for their respective websites, to the extent possible, to maximize efficiencies. Further, the Office of Management and Budget's (OMB) 2012 guidance on collection of U.S. foreign-assistance data stated that ForeignAssistance.gov will establish a standardized reporting framework for all U.S. foreign assistance, and these data will be used to fulfill the annual reporting requirements being carried out by USAID. Without high-quality data, efforts to achieve these goals of consolidated data and standardized reporting will be hampered.

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GAO recommended that State, in consultation with OMB and USAID, review the efforts to date on ensuring data quality and develop additional guidance that takes into consideration current challenges to updating ForeignAssistance.gov with verified data. The agency agreed with the recommendation. In February 2017, officials noted that State has developed guidance and coordinated with the other relevant agencies to require them to complete a standard template explaining the entire foreign-assistance portfolio and which parts are reported and which are not. To date, of the 13 agencies providing data reflected on ForeignAssistance.gov, five have yet to submit information according to the new guidance, according to State. In addition, State officials noted that State has collaborated with USAID to onboard new agencies, identify their foreign-assistance portfolio, and to reconcile any discrepancies by comparing programs that have historically been reported and those that are currently being submitted.

Until data-quality issues are addressed, any efforts to remedy potential overlap in the information collected and reported cannot be achieved. Information on cost savings are not available, since it is unclear at this time the extent to which improved data quality would ultimately result in more efficient data collection and reporting.

Table 30 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to State for review and comment. State provided technical comments and in response GAO made changes to this report section where appropriate.

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## Related GAO Products

*Foreign Assistance: Actions Needed to Improve Transparency and Quality of Data on ForeignAssistance.gov.* [GAO-16-768](#). Washington, D.C.: August 24, 2016.

# 15. Administrative Requirements on Federal Research

To reduce universities' workload and compliance costs, the multiple agencies that award federal research grants should better coordinate and manage fragmentation and address variation in grants' administrative requirements.



Source: Brand X Pictures.

## Potential Benefit

Greater efficiency in the administration of federal funds for university research

## Implementing Entities

Department of Energy, National Aeronautics and Space Administration, Department of Health and Human Services, National Science Foundation

## Link to Actions

GAO identified one action to help standardize administrative requirements on research grants. See GAO's [Action Tracker](#).

## Related GAO Products

[GAO-16-573](#)

## Contact Information

For additional information about this area, contact John Neumann at (202) 512-3841 or [neumannj@gao.gov](mailto:neumannj@gao.gov).

More than two dozen federal agencies use grants and other mechanisms to fund research in support of agency missions related to public health, energy security, and space exploration, among others. In fiscal year 2016, these agencies obligated about \$28.6 billion for such research at colleges and universities, according to preliminary data from the National Science Foundation (NSF). Agencies implement a variety of administrative requirements for use of these funds. These include (1) requirements for protecting against waste, fraud, and abuse of grant funds, and (2) requirements for promoting the quality and effectiveness of federally funded research.

In June 2016, GAO reported that the fragmented implementation of these requirements at four of the top federal funders of university research—the Department of Energy (DOE), National Aeronautics and Space Administration (NASA), Department of Health and Human Services' (HHS) National Institutes of Health (NIH), and NSF—creates unnecessary workload and costs for universities. Universities commonly receive grants from multiple agencies, and have to design and implement multiple processes and may need to invest in electronic systems to comply with agencies' requirements, and researchers and administrative staff must spend time learning the different requirements, processes, and systems. In accordance with federal goals for streamlining regulations and guidance, the four agencies GAO reviewed as well as other agencies have made continuing efforts to reduce universities' workload and costs by standardizing administrative requirements across agencies. However, GAO found that these efforts have not fully addressed variation in the requirements, thereby limiting the potential reductions in universities' workload and costs. For example, agencies have not standardized requirements for developing and submitting documentation for grant proposals, as they have done with some post-award requirements, such as financial reporting.

GAO recommended in June 2016 that DOE, NASA, HHS, and NSF coordinate with each other and with other agencies that fund research to identify additional areas where they can standardize requirements, and report on these efforts. DOE, NASA, and HHS concurred with the recommendation and stated that they would build on previous efforts to standardize requirements. NSF did not state whether it concurred with the recommendation. In January 2017, the American Innovation and Competitiveness Act was signed into law, requiring the Office of

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Management and Budget, in coordination with the Office of Science and Technology Policy, to establish an interagency working group to reduce administrative workload and costs while protecting the transparency of and accountability for federally funded research.<sup>1</sup> As of March 2017, DOE, HHS, NASA, and NSF stated that, as part of their efforts to implement GAO's recommendation, they would coordinate with other research funding agencies through this interagency working group.

By standardizing administrative requirements for federal research grants, agencies could achieve reductions in universities' administrative workload and costs while maintaining accountability over grant funds. GAO does not have an estimate of the potential cost savings from this action, because there is uncertainty regarding the amount of workload and costs that universities currently incur and the potential reductions that could result from standardization. However, efforts to standardize requirements can result in greater efficiency in the use of federal funds for university research, such as by allowing researchers to spend more of their time conducting research rather than complying with administrative requirements.

Table 31 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOE, HHS, NASA, and NSF for review and comment. The agencies provided information on steps they have taken in response to GAO's recommendation, as discussed above.

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## Related GAO Products

*Federal Research Grants: Opportunities Remain for Agencies to Streamline Administrative Requirements.* [GAO-16-573](#). Washington, D.C.: June 22, 2016.

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<sup>1</sup>Pub. L. No. 114-329, § 201(d) (2017). The law requires the working group to (A) regularly review relevant, administration-related regulations imposed on federally funded researchers; (B) recommend those regulations or processes that may be eliminated, streamlined, or otherwise improved; (C) recommend ways to minimize the regulatory burden on United States institutions of higher education performing federally funded research while maintaining accountability for federal funding; and (D) recommend ways to identify and update specific regulations to refocus on performance-based goals rather than on process. Id., § 201(e).

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## Appendix IV: Areas in Which GAO Has Identified Other Cost Savings or Revenue Enhancement Opportunities

This appendix summarizes 14 areas for Congress or executive branch agencies to consider taking action that could either reduce the cost of government operations or enhance revenue collections for the Treasury.

## 16. Department of Defense Commissaries

By managing its commissaries more efficiently, the Department of Defense could position itself to better achieve its cost savings target of \$2 billion.



Source: Department of Defense/Helene C. Stikkel.

### Potential Benefit

Billions of dollars

### Implementing Entities

Department of Defense

### Link to Actions

GAO identified three actions to improve efficiency in commissary management. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-38](#) and [GAO-17-80](#)

### Contact Information

For additional information about this area, contact Brian J. Lepore at (202) 512-4523 or [leporeb@gao.gov](mailto:leporeb@gao.gov).

The Department of Defense (DOD) operates 238 commissaries worldwide to provide groceries and household goods at reduced prices as a benefit to military personnel, retirees, and their dependents. As required by law, DOD uses appropriated funds to cover commissary operating costs, such as employee salaries and service contracts, instead of marking up prices for products to pay for these costs as commercial grocery stores do. Since 2010, Congress appropriated \$1.4 billion annually on average to fund commissary operations. In 2015 and 2016, Congress and DOD demonstrated interest in improving the efficiency of commissaries through legislative actions and proposals that would potentially reduce the use of appropriated funding for commissaries and alter business practices to be more like commercial grocery stores.

GAO found that DOD can more efficiently manage its commissaries and potentially achieve cost savings. In November 2016, GAO reported that DOD did not develop a congressionally mandated plan for ending the use of appropriated funding. DOD instead proposed an estimated cost savings target of \$2 billion over 5 years (fiscal years 2017 through 2021); however, it did not provide details on how it would achieve this target. Further, in February 2017, GAO reported that DOD did not effectively analyze and use potential cost-saving practices routinely used in commercial grocery stores. For example, commissaries did not determine which products to sell based on their contribution to total store sales. Also, DOD did not conduct cost-benefit analyses to determine whether the use of contractors or in-house staff was more cost-effective for stocking items and conducting custodial services. Further, DOD did not assess options for product distribution, such as whether it is more cost-effective to distribute smaller quantities of products directly from manufacturers to stores or to transport larger volumes of products to a central distribution area for distribution to nearby stores.

In November 2016, GAO recommended that DOD develop a plan that identifies assumptions, a methodology, cost estimates, and specific time frames for achieving reductions to appropriations. DOD concurred with the recommendation. In its response letter, DOD said that the estimated \$2 billion cost-savings target was based in part on estimates and recommendations provided in a July 2015 study conducted for DOD. In February 2016, DOD established a board to review initiatives for making the commissaries more efficient, and as these initiatives are approved DOD expects to provide more specific information to Congress. In March 2017, GAO recommended that DOD develop a plan with objectives,

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goals, and time frames on how it will improve efficiency in product management at its commissaries and that it conduct cost-benefit analyses to guide decisions on how to cost-effectively execute its stocking and custodial services and choose product distribution options. In response, DOD provided written comments and concurred with GAO's recommendation to develop a plan and partially concurred with the recommendation to conduct cost-benefit analysis. GAO continues to believe the cost-benefit analysis recommendation is valid.

Implementing these recommendations could help DOD manage its commissaries more efficiently. By developing a plan with action steps to guide its efforts to generate more sales, leverage efficiencies gained from better management of products, and use more cost-effective methods for services and product distribution, DOD will be better positioned to successfully achieve its cost savings target of \$2 billion over 5 years and reduce its reliance on appropriated funds in operating commissaries.

Table 32 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. The department did not provide comments on this report section.

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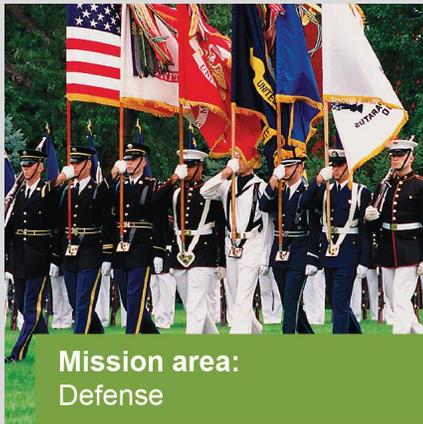
## Related GAO Products

*Defense Commissaries: DOD Needs to Improve Business Processes to Ensure Patron Benefits and Achieve Operational Efficiencies.* [GAO-17-80](#). Washington, D.C.: March 23, 2017.

*DOD Commissaries and Exchanges: Plan and Additional Information Needed on Cost Savings and Metrics for DOD Efforts to Achieve Budget Neutrality.* [GAO-17-38](#). Washington, D.C.: November 9, 2016.

# 17. Department of Defense Special and Incentive Pays

The Department of Defense needs to incorporate key principles of effective human capital management in its special and incentive pay programs, which could lead to program improvements that could save **tens of millions of dollars annually**.



Source: Department of Defense/Helene C. Stikkel.

## Potential Benefit

Tens of millions of dollars annually

## Implementing Entities

Department of Defense

## Link to Actions

GAO identified four actions to improve effectiveness of the military services' special and incentive pay programs. See GAO's [Action Tracker](#).

## Related GAO Products

[GAO-17-39](#)

## Contact Information

For additional information about this area, contact Brenda S. Farrell at (202) 512-3604 or [farrellb@gao.gov](mailto:farrellb@gao.gov).

In fiscal year 2015, the Department of Defense (DOD) spent over \$3.4 billion on special and incentive (S&I) pays for its active-duty servicemembers. Before DOD began to consolidate these pays into 8 categories in 2008, there were more than 60 of them. DOD uses the S&I pay programs to compensate and incentivize servicemembers for occupations that are dangerous, are less desirable, or require special skills and training.

In February 2017, GAO found that DOD has not systematically reviewed whether it has incorporated key principles of effective human capital management in its S&I programs for nuclear propulsion, aviation, and cybersecurity. GAO also found that the consistency with which the services applied these principles varied by service and occupation. Examples include the following:

- The services do not routinely assess whether nonmonetary incentives could be used as less costly approaches to addressing retention challenges. For example, Navy officials said that in managing their nuclear program they use nonmonetary incentives to complement S&I pays for retention purposes, including guarantees for shore duty and graduate education. However, the services have not assessed whether nonmonetary incentives can be expanded.
- DOD and the services' guidance for S&I pay do not explicitly incorporate personnel performance into criteria for retention bonuses. While the Navy incorporates performance into retention bonuses by targeting bonuses to pilots who are on track for promotion, DOD officials said that the S&I pay programs were not designed to target top performers.
- The services do not tailor their approaches to target the retention of cybersecurity personnel. The Air Force, the Navy, and the Marine Corps generally allow personnel with overall information-technology skill sets, which include cybersecurity as well as intelligence and information technology, to receive the same bonuses as its cybersecurity personnel because they are grouped into the overall job category of information technology. The services therefore are not able to target bonuses only to cybersecurity personnel when those personnel are the only ones in short supply.

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GAO recommended, among other things, that DOD (1) review all its special and incentive programs to ensure that it has incorporated key principles of effective human capital management in its programs, (2) routinely assess the impact of nonmonetary incentive approaches on retention behavior, (3) clarify guidance on the extent to which personnel performance should be incorporated into retention decisions, and (4) develop approaches to directly target bonuses to personnel with cybersecurity skillsets. DOD partially concurred with the first and fourth recommendations and concurred with the second and third.

With respect to the first recommendation, DOD stated that it does use management principles such as flexibility in adjusting quickly to changing conditions, though it does not articulate these principles in the same manner as GAO. GAO agrees DOD does use some of the principles; however, DOD does not consistently use other key principles crucial to using resources efficiently such as tailoring special pays to target unique staffing needs. With respect to the fourth recommendation, DOD stated that it is crucial for the services to retain flexibility in using S&I pay. GAO, however, believes allowing the services to more specifically target critical skills allows them even more flexibility to meet their needs because they do not need to pay more to personnel who are not in short supply.

Fully implementing these recommendations would help DOD and the services to ensure that S&I pay programs are effectively designed and that resources are optimized for the greatest return on investment. For example, the Air Force partially addressed the principle of identifying and evaluating unique staffing issues by reviewing civilian-sector compensation to calculate bonus amounts, but it offered retention bonuses to pilots across all platforms. In contrast, the Navy began offering retention bonuses to pilots by specific type of aircraft in fiscal year 2011, and by fiscal year 2015 had achieved a cost reduction of almost 40 percent for these bonuses, totaling \$17.5 million. If the Air Force revises its retention bonus program to provide bonuses more specifically and this change results in a similar level of savings as was realized by the Navy, GAO estimates that the Air Force could save approximately \$24 million in aviation pays annually. Implementing all of GAO's recommendations would improve the management of the S&I pay program overall. If DOD could save a small percentage of the \$3.4 billion it spends on all of its S&I pay programs, it could save tens of millions of dollars annually.

Table 33 in appendix VIII lists the programs GAO identified that might have opportunities for cost savings or revenue enhancement.

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## Agency Comments and GAO's Evaluation

GAO also provided a draft of this report section to DOD for review and comment. DOD provided technical comments, which were incorporated as appropriate.

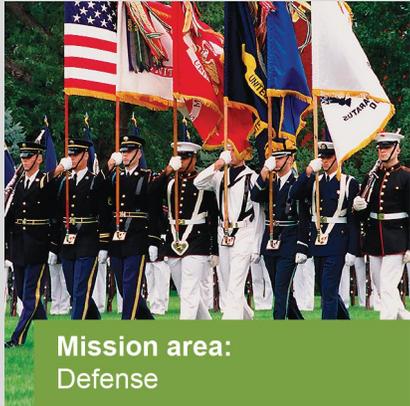
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## Related GAO Products

*Military Compensation: Additional Actions Are Needed to Better Manage Special and Incentive Pay Programs.* [GAO-17-39](#). Washington, D.C.: February 3, 2017.

# 18. Navy Shipbuilding

The Navy could achieve **millions of dollars** in cost savings from improved use of warranties and guarantees in shipbuilding.



Source: Department of Defense/Helene C. Stikkel.

### Potential Benefit

Millions of dollars in cost savings

### Implementing Entities

Department of the Navy

### Link to Actions

GAO identified three actions to improve the use of warranties and guarantees in Navy shipbuilding. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-71](#)

### Contact Information

For additional information about this area, contact Michele Mackin at (202) 512-4841 or [mackinm@gao.gov](mailto:mackinm@gao.gov).

The U.S. Navy and Coast Guard together spend about \$17 billion per year building ships to support national defense and homeland security. Shortly after a ship is delivered, defects often become evident. To fix defects for which shipbuilders are responsible, the Navy and Coast Guard use two mechanisms—warranties and guarantees. Warranty provisions, as outlined in the Federal Acquisition Regulation (FAR), normally provide that the government may direct the contractor to repair or replace defective items at the contractor's expense. Guarantees are Navy-specific contractual mechanisms that provide for the correction of defects, but the responsibility for paying for these corrections varies depending upon contract terms.

GAO reported in March 2016 that for the four ships that it reviewed with fixed-price incentive-type contracts and guaranty clauses, the government paid the shipbuilder \$4.9 million (89 percent of the defect-correction cost, including profit) to correct shipbuilder-responsible defects. This means the Navy paid the shipbuilder to build the ship as part of the construction contract, and then paid the shipbuilder to repair the ship when defects were discovered shortly after delivery—essentially rewarding the shipbuilder for delivering a ship that needed additional work. For example, on LPD 25—an amphibious transport dock—the Navy determined that shipbuilder actions resulted in peeling hull paint shortly after delivery and subsequently submitted a guaranty claim. Since, under the contract's guaranty clause, the contractor was not obligated to make the repairs at its own expense, the Navy paid the shipbuilder to repaint the vessel. According to Navy officials, this approach reduces the overall cost of purchasing ships because the cost of including the warranty in the contract would likely exceed the value of repairs. However, the Navy has no analysis that proves this point.

In contrast, the warranty on one Coast Guard ship—the Fast Response Cutter—improved cost and quality by requiring the shipbuilder to pay to repair shipbuilder-responsible defects. Under the terms of the warranty, the Coast Guard could require the shipbuilder to repair and pay for an unlimited amount of shipbuilder-responsible defects within the first year after delivery. The Coast Guard has claimed over \$1.5 million worth of repairs under the ship's warranty—a 145 percent return on investment when comparing repair cost savings to the cost for the warranty.

Although the FAR and Department of Defense guidance instruct programs to, respectively, consider and document the use of a warranty, the use of warranties is not mandatory, and the Navy does not consider using them for ship contracts. In contrast, the Coast Guard's Fast

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Response Cutter warranty fosters high-quality performance by following FAR warranty provisions. The Navy may be missing savings by not considering the use of warranties. Also, the Navy has no stated objective for its guarantees, and guidance for contracting officers is minimal as to when or how to use them. The FAR does not apply to guarantees, but federal internal control standards state that government programs require objectives and guidance to ensure they achieve desired results. The lack of a clear objective and guidance for guaranty use and for determining when a warranty is appropriate in shipbuilding hinders Navy contracting officers' ability to decide what mechanism best serves taxpayers' interests.

To improve the use of warranties and guarantees in Navy shipbuilding, GAO recommended the Secretary of Defense direct the Secretary of the Navy to take three actions: (1) structure contracts so shipbuilders cannot earn profit for correcting defects for which they are responsible; (2) determine whether a warranty is appropriate in its contracts; and (3) establish a guaranty objective and guidance. The Department of Defense partially concurred with the recommendations and it planned to complete a study in December 2016. As of February 2017, this study is not complete.

The Navy could obtain potential cost savings by expanding the use of warranties in shipbuilding. However, it is difficult to estimate the savings because they are dependent on the provisions in the warranties, and the Navy does not know how much work could fall within the parameters of a warranty. If cost savings were similar to the examples of expenses incurred to correct defects and the savings from the use of warranties, these savings could be in the millions of dollars.

Table 34 in appendix VIII lists federal programs or activities related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. The department did not provide comments on this report section.

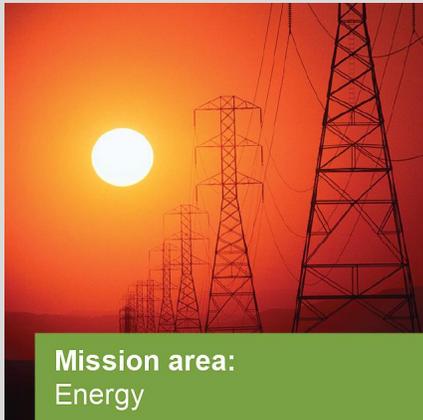
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## Related GAO Products

*Navy and Coast Guard Shipbuilding: Navy Should Reconsider Approach to Warranties for Correcting Construction Defects.* [GAO-16-71](#). Washington, D.C.: March 3, 2016.

# 19. Storage of Defense and Commercial Nuclear Waste

The Department of Energy could potentially save up to **tens of billions of dollars** by improving its analysis of options for permanently storing defense high-level nuclear waste and commercial spent nuclear fuel.



Source: ©Corbis.

## Potential Benefit

Tens of billions of dollars in cost savings

## Implementing Entities

Department of Energy

## Link to Actions

GAO identified one action to ensure the Department of Energy obtains reliable cost and benefit information for nuclear waste storage options. See GAO's [Action Tracker](#).

## Related GAO Products

[GAO-17-174](#)

## Contact Information

For additional information about this area, contact David C. Trimble at (202) 512-3841 or [trimbled@gao.gov](mailto:trimbled@gao.gov).

The Department of Energy (DOE) had planned for decades to store defense and commercial nuclear waste in a single repository at Yucca Mountain in Nevada, which was to be funded largely from commercial power industry fees. In 2010, DOE terminated this plan and then analyzed developing separate repositories for defense and commercial nuclear waste—a change that required a presidential finding under the Nuclear Waste Policy Act. In 2015, DOE provided the President with information stating that separate repositories would produce benefits in each of the six evaluation areas required by the act—cost efficiency, public acceptability, regulation, transportation, national security, and health and safety. Based on this information, in 2015 the President reversed a 1985 presidential finding and determined that a separate repository for defense waste was required, potentially committing DOE to developing separate repositories for defense high-level waste and commercial spent nuclear fuel.

In January 2017, however, GAO found that DOE did not sufficiently quantify the benefits of moving to separate repositories and that its cost estimates were not reliable. For example, DOE's cost estimates excluded major items, such as site-selection costs, which could add tens of billions of dollars to the difference in costs between a single repository and separate ones for defense and commercial waste. DOE also did not show the risks that some benefits may not be realized as planned. For example, GAO found that DOE's schedule estimates were not reliable because DOE did not provide information on how its schedule would be achieved. GAO found that these estimates left little time for major activities and were not realistic, given past experiences. GAO recommended that DOE conduct a comprehensive assessment of the benefits, costs, and schedules of the options it reviewed and provided to the President in 2015, in accordance with Office of Management and Budget guidance and best practices, and, in light of new information and results from the assessment, that DOE revise—if needed—the department's conclusion that a separate defense high-level waste repository is required. In response, DOE agreed with the spirit of the recommendation and stated that it will conduct additional, comprehensive analysis, but it also stated it is committed to developing separate repositories because it offers great flexibility and optionality in developing programmatic pathways for the disposal of such waste. GAO believes that the additional information is needed to justify DOE's plan that separate repositories for defense and commercial nuclear waste are preferable to a single repository for both types.

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The decision to have separate nuclear waste repositories will require unknown, but significant, future resources. Yet the information DOE provided the President in support of this decision lacked a comprehensive assessment of benefits, and reliable cost and schedule estimates. Comprehensively quantifying benefits and costs, and using such information as the basis for a decision on nuclear waste storage, may show that tens of billions of dollars could be saved if DOE reverted to its original plan to have a single repository for defense and commercial nuclear waste.

Table 35 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOE for review and comment. DOE stated that GAO's statements were misleading because GAO's report concluded that an improved analysis might avoid wasting money, not save billions of dollars. DOE stated that improving its analysis to the level of rigor requested by GAO would not necessarily save any money, but any savings would depend on what DOE's analysis said. DOE further stated that since GAO did not conduct its own cost analysis, GAO had no basis to conclude that tens of billions of dollars could be saved. GAO did not need to develop its own cost assessment to identify shortcomings and potential areas of savings in DOE's efforts. As GAO stated in its January 2017 report, DOE's estimates for a defense-only repository excluded billions of dollars in siting, characterization, and disposal packaging and transportation costs—costs that would have to be paid twice for two repositories. In addition, as GAO reported in January 2017, experts and stakeholders stated that a defense high level waste repository could delay DOE's efforts to site and develop a subsequent commingled repository, potentially resulting in billions of dollars in added costs, which were also not reflected in DOE's assessment. Also, DOE continues to underestimate public opposition in its efforts to site a repository, which has significantly hindered its recent efforts for permanently storing certain nuclear waste and could add years and costs to what DOE has estimated. Notably, DOE's own analysis showed that two separate repositories would likely be more expensive than a single, commingled repository. Including the costs that DOE omitted will likely make the cost difference between separate and commingled repositories even greater. An analysis that takes into account industry best practices for cost estimating and DOE's own guidance on front-end planning could show that DOE may save billions—and possibly tens of billions—by pursuing an alternative approach.

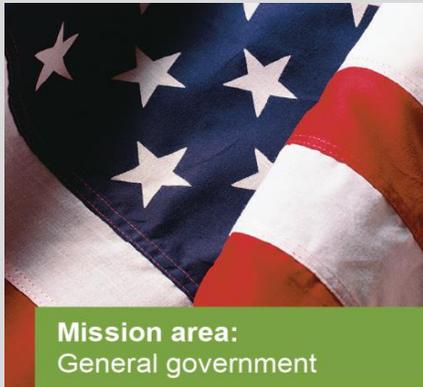
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## Related GAO Products

*Nuclear Waste: Benefits and Costs Should Be Better Understood Before DOE Commits to a Separate Repository for Defense Waste.*  
[GAO-17-174](#). Washington, D.C.: January 31, 2017.

## 20. Department of Veterans Affairs Medical Facility Construction

The Department of Veterans Affairs could better avoid cost increases and schedule delays on its medical facility construction projects by improving management of facility construction.



Source: PhotoDisc.

### Potential Benefit

Avoid cost increases

### Implementing Entities

Department of Veterans Affairs

### Link to Actions

GAO identified three actions to improve management of facility construction. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-70](#)

### Contact Information

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The Department of Veterans Affairs (VA) has 26 ongoing major medical facility construction projects—each costing more than \$10 million —intended to provide improved health care to veterans, among other objectives. GAO has previously reported on VA's weaknesses in managing major medical facility projects, yet concerns remain about VA's project-management practices. As a result, Congress mandated that VA outsource to other federal entities the design and construction of certain ongoing projects, including a project in Denver, Colorado, and future projects costing \$100 million or more. VA chose the U.S. Army Corps of Engineers (Corps) to manage these projects. Regardless of whether VA or the Corps manages a project, VA will be responsible for managing "activation"—the process of making the facility ready for full operation after construction, including adding medical equipment.

In March 2017, GAO found weaknesses in VA's processes. Specifically, VA lacks a mechanism to systematically collect or monitor data to oversee the change-order process. As a result, VA cannot determine how processing time frames and design changes affect costs and schedules and thus is at risk for unexpected cost increases and schedule delays. For the Denver project, the only project the Corps is managing that is under construction, VA lacks a reliable activation cost estimate, and the construction and activation schedules are not aligned.

**Change orders:** VA lacks a mechanism to systematically collect or monitor data on time frames to process change orders. Although VA's contract-management software collects information on the dates that change orders were initiated and approved, VA does not use the software to determine whether changes are approved within the required time. This software does not currently track reasons for change orders, such as whether VA medical staff requested the change. VA plans to replace this software with a system that records this information. However, it is not yet clear how VA plans to use this information to oversee change orders, because VA lacks a mechanism to oversee and monitor changes to a facility's design. Without such a mechanism, VA cannot determine how processing time frames and design changes affect costs and schedules and thus is at risk for unexpected cost increases and schedule delays.

**Activation cost and scheduling estimates:** VA's activation cost estimate for the Denver project increased from \$272 million in 2012 to a current estimate of \$341 million. VA officials could provide little

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documentation on how they developed the original estimate and said that staff responsible for it are no longer with VA. VA officials said that the original activation estimate was developed using a predecessor to VA's current model for estimating activation costs, which is being revised to help VA medical center staff more accurately estimate activation costs. VA officials said that the estimate increased to \$341 million due to updated information such as more precise equipment requirements. Because VA's current estimate for activating the facility is based on the 2012 estimate, it is not well supported. Consequently, GAO could not determine whether the estimate was reliable and met criteria in the *GAO Cost Estimating and Assessment Guide*. GAO's analysis showed that the Denver construction and activation schedules are not integrated and their milestones do not align. Although VA's policies call for integrating such schedules, they are inconsistent and unclear.

GAO recommended that the Secretary of Veterans Affairs take steps to establish a mechanism to monitor the extent that major facilities projects follow guidelines on change-order time frames and design changes; develop an activation cost estimate for the Denver project that is reliable and conforms with best practices; and require that (1) all projects have an integrated master schedule to ensure that the integrated master schedules include and link all construction and activation activities; and (2) the policies on integrated master schedules for projects that VA and the Corps manage are consistent. VA concurred.

Improving its management of facility construction will help VA avoid cost increases and schedule delays. Because potential future cost increases are unknown, GAO cannot precisely estimate the potential cost savings from implementing these recommendations.

Table 36 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to VA for review and comment. On March 29, 2017, VA disagreed that it lacks a reliable activation cost estimate for the Denver project. VA did not make a similar comment on a draft of the report on which this section is based that contained the same finding. In its comments on this section, VA said that it uses a budget model to estimate activation costs and that the model has evolved to develop better estimates. GAO incorporated information about this model to provide better context. While GAO agrees that using the model is a positive development, VA did not provide documentation needed for GAO to evaluate the activation estimate's reliability. VA also provided technical comments, which were incorporated as appropriate.

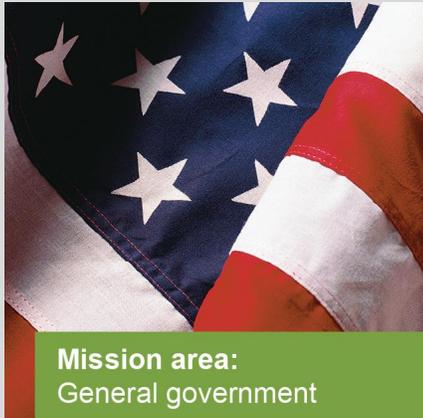
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## Related GAO Products

*VA Construction: Improved Processes Needed to Monitor Contract Modifications, Develop Schedules, and Estimate Costs.* [GAO-17-70](#). Washington, D.C.: March 7, 2017.

## 21. Government Purchase Cards

An increased focus on analyzing agency-wide purchase card use would provide federal agencies with opportunities to leverage the government's buying power and potentially obtain substantial cost savings on the billions spent annually using purchase cards.



Source: PhotoDisc.

### Potential Benefit

Substantial cost savings

### Implementing Entities

Departments of Defense, Veterans Affairs, the Interior, Homeland Security, and Energy, and the Environmental Protection Agency

### Link to Actions

GAO identified three actions to help identify areas for cost savings. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-526](#)

### Contact Information

For additional information about this area, contact Marie A. Mak at (202) 512-4841 or [makm@gao.gov](mailto:makm@gao.gov).

In fiscal year 2015, federal agencies used purchase cards to procure nearly \$19 billion of a wide variety of goods, such as office supplies and general contractor services. The government purchase card program was created to provide a low-cost, efficient vehicle for obtaining goods and services directly from vendors. The Office of Management and Budget's guidance (1) requires agency officials to incorporate purchase card data into strategic sourcing analysis and (2) recommends that agencies review and analyze purchase card spending patterns for opportunities to negotiate discounts, improve buying processes, and leverage buying power. Further, federal internal controls state that management should use information—such as opportunities to obtain savings on purchase card buys—to achieve objectives.

In its May 2016 report, GAO found that selected agencies—the Departments of Defense (DOD), Veterans Affairs (VA), the Interior (Interior), Homeland Security, and Energy (Energy), and the Environmental Protection Agency (EPA)—have varied in their use of purchase card data. Four of these six agencies took steps to independently analyze purchase card spending patterns. For example, EPA and Interior identified opportunities for agency-wide savings through such analysis, and regional VA offices identified opportunities for local or agency-wide savings on items procured with purchase cards. However, Energy and certain DOD components, such as the Air Force and Navy, did not perform an analysis of purchase card spending. Without more focused efforts, these agencies may be missing opportunities to find cost savings.

GAO recommended that Energy take steps to regularly analyze agency-wide purchase card spend patterns and that DOD issue guidance to help ensure that its components do the same. In their responses, Energy stated its intention to use a new spending-analytics database to analyze agency-wide purchase card spending patterns, and DOD indicated plans to issue guidance. GAO also recommended that DOD, VA, Interior, Homeland Security, Energy, and EPA develop guidance that encourages local agency officials to examine purchase card spend patterns and share this information. DOD, VA, Homeland Security, and Energy planned to issue guidance. Interior indicated it will encourage its bureaus to use data-analysis tools to make purchase card data available, but did not see a need for additional guidance. After GAO published its report, EPA indicated that it will seek opportunities to benchmark with other agencies

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and share information on approaches used to identify opportunities for positive strategic sourcing outcomes.

The financial benefits of implementing these recommendations cannot be precisely quantified because the effect they would have on thousands of individual transactions is unknown. However, given that agencies purchased between \$16.9 billion and \$19.5 billion on purchase cards each year from fiscal year 2010 to 2015, the savings could be substantial. In just one example, GAO found a VA office recognized an opportunity for savings when purchasing wheelchair ramps for disabled veterans, which resulted in reported savings of \$1.1 million.

Table 37 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD, VA, Interior, DHS, Energy, and EPA for review and comment. In response, DOD pointed to guidance issued in September 2016 asking its components to analyze purchase card spending data for areas of possible savings. VA stated in its comments that it will continue to update its purchase card policy to encourage analysis of purchase card spend patterns and that its Office of Management now produces quarterly purchase card reports to help identify potential opportunities for strategic sourcing and cost savings. Interior stated that it is continuing efforts to supply purchase card data to program managers and buyers in its bureau organizations and will continue to encourage inclusion of purchase card information in its category management efforts. DHS stated in its technical comments that its purchase card manual was revised in November 2016 to encourage components to perform additional spend analysis for the identification of strategic sourcing opportunities. Energy said that it is taking steps to gather data and configure data systems to analyze agency-wide purchase card spending. Additionally, Energy will update acquisition guidance to encourage local agency officials to analyze purchase card spending for strategic sourcing opportunities. EPA noted that it continues to use purchase card data to inform its agency-wide spend analysis and has encouraged local agency officials to examine spending for opportunities to obtain savings.

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## Related GAO Products

*Government Purchase Cards: Opportunities Exist to Leverage Buying Power.* [GAO-16-526](#). Washington, D.C.: May 19, 2016.

## 22. Inland Waterways Fuel Tax

The Internal Revenue Service could better gauge whether vessel operators are complying with the inland waterways fuel tax by obtaining access to proprietary data from the U.S. Army Corps of Engineers.



**Mission area:**  
General government

Source: PhotoDisc.

### Potential Benefit

Enhance revenue for the Inland Waterways Trust Fund

### Implementing Entities

Internal Revenue Service

### Link to Actions

GAO identified one action to enhance efforts to ensure compliance. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-682](#)

### Contact Information

For additional information about this area, contact Rebecca Shea at (202) 512-2834 or [shear@gao.gov](mailto:shear@gao.gov).

The inland waterways of the United States are especially important in the transportation of heavy, bulk commodities such as coal, petroleum, chemicals, and grain. Vessel operators that transport these products via barge pay a 29 cent per gallon excise tax on fuel consumed for propulsion purposes on the approximately 11,000 miles of designated taxable inland waterways. Vessel operators pay the tax to the Internal Revenue Service (IRS) on a quarterly basis and must keep adequate records of all fuel used for taxable purposes. From 2005 through 2014, the fuel tax generated average revenues of approximately \$83 million per year for the Inland Waterways Trust Fund, which helps to pay to build or rehabilitate waterway navigation infrastructure, such as locks and dams.

GAO reported in July 2016 that IRS uses some data from the U.S. Army Corps of Engineers (Corps), such as public waterborne commerce and lock performance data, during its audits to ensure compliance with the inland waterways fuel tax. However, IRS does not have access to independent, third-party data to verify actual fuel consumption. Specifically, IRS does not have access to the Corps' proprietary waterborne-commerce statistics and lock performance data, which IRS could potentially use to estimate fuel consumption and thereby identify vessel operators that may be underreporting their tax liability.

GAO recommended in the July 2016 report that IRS consult with the Corps to explore options to obtain this relevant proprietary data to enhance IRS's efforts to ensure that vessel operators are in compliance with the requirements to report and pay the inland waterways fuel tax. In response, IRS agreed that obtaining proprietary data could further enhance its enforcement activities and ensure future compliance. Further, IRS indicated it would renew efforts with the Corps to explore options for overcoming previously encountered barriers relating to conflicting data-disclosure requirements that limit the exchange of data. As of February 2017, IRS stated that it has communicated with the Corps regarding access to the Corps' proprietary data. Specifically, the IRS and Corps are negotiating language acceptable to both parties for a nondisclosure agreement, according to IRS. IRS further mentioned that such an agreement is required by the Corps prior to sharing the relevant proprietary data. Since the recommendation was not directed to the Corps, the Corps did not comment on this recommendation.

Implementing this recommendation might provide additional tax revenue to the Inland Waterways Trust Fund, thereby increasing available funding for navigation infrastructure, including locks and dams. Since IRS has not

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## Related GAO Products

estimated fuel tax revenue using the proprietary Corps data and has not compared those estimates with actual taxpayer data, GAO was not able to estimate the extent of additional tax revenue that could be obtained from taxpayers that may be underreporting their tax liability.

Table 38 in appendix VIII lists federal programs or other activities related to this issue area, including budget information when available.

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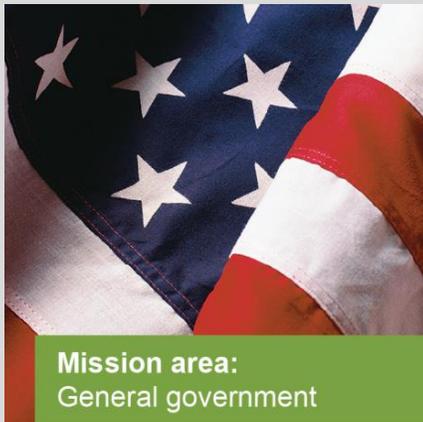
## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS provided technical comments and in response GAO made changes to this report section where appropriate.

*Inland Waterways Fuel Tax: Additional Data Could Enhance IRS's Efforts to Ensure Taxpayer Compliance.* [GAO-16-682](#). Washington, D.C.: July 29, 2016.

## 23. Land Mobile Radio Procurement

The Office of Management and Budget could improve agencies' communication abilities and reduce the hundreds of millions of dollars spent annually on land mobile radio equipment by including this technology in its initiative to manage spending across government for commonly purchased goods.



Source: PhotoDisc.

### Potential Benefit

Cost savings and improved communications

### Implementing Entities

Office of Management and Budget

### Link to Actions

GAO identified one action to improve federal agency land mobile radio procurement. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-12](#)

### Contact Information

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Public safety personnel across the nation rely on land mobile radio (LMR) systems to share information and coordinate their emergency response efforts. LMR systems have similar components—including handheld portable radios and mobile radios mounted in vehicles, as well as base stations to transmit signals or audio. Nevertheless, interoperable LMR communications—the ability to communicate across agencies—remain a challenge for various technical and nontechnical reasons.

GAO found that several federal agencies require LMR interoperability with one another for daily operations, planned events, and emergencies. The exact amount of federal funds spent each year on LMR equipment government-wide is unknown, but GAO estimates it is likely hundreds of millions of dollars, given the known costs for the Department of Homeland Security alone, which reported spending almost \$526 million on LMR infrastructure, equipment, and personnel in fiscal year 2016. Although federal agencies spend millions of dollars each year on LMR equipment, many federal agencies do not coordinate with one another before purchasing new equipment—for example, by agreeing to purchase through a limited number of high-performing contract vehicles. As a result, the agencies may be limited in their ability to exert buying power with manufacturers to obtain quantity discounts. This duplication of procurement efforts for similar goods and services also imposes significant costs to agencies.

The Office of Management and Budget (OMB) recognizes that agencies often purchase and manage items in a fragmented and inefficient manner, through tens of thousands of contracts and delivery orders. To address this issue, OMB's Office of Federal Procurement Policy directs agencies to implement "category management," which is an approach based on leading practices to manage entire categories of spending across government for commonly purchased goods and services. This approach enables the federal government to leverage its purchasing power to realize cost savings and may also help enhance LMR interoperability, particularly if taken in combination with interagency agreements and training and exercises. Although OMB's category management approach includes many information-technology goods and services, it does not include LMR equipment.

In October 2016, GAO recommended that OMB improve federal agency LMR procurement practices by examining the feasibility of including LMR technology in its category management initiative. In response, OMB

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generally agreed with this recommendation, and noted that it is working to identify which information-technology strategies will produce the best return on investment and that it continues to evaluate its category-specific strategic plans.

Although GAO cannot estimate potential cost savings until a proposal for this concept is developed because the data are unavailable, by including LMR equipment in the category management initiative, the federal government may be able to more fully leverage its aggregate buying power to save money and obtain the most advantageous terms and conditions for LMR procurements while also helping agencies to more effectively communicate in their day-to-day operations and when responding to emergencies. According to OMB, from 2010 to 2014 agencies had reduced contract duplication by up to 40 percent in some areas, and had saved over \$417 million when government-wide strategic sourcing was utilized.

Table 39 in appendix VIII lists federal programs or activities related to this issue area, including budget information when available.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OMB for review and comment. OMB's liaison to GAO provided comments that stated OMB has been working with the Departments of Homeland Security and the Interior and the General Services Administration to apply category management principles in planning for the next generation of LMR solutions. OMB noted that enhancing the offerings available through new and existing solutions should reduce the frequency of sole source procurements and independent approaches and better position the government to leverage volume purchasing in the LMR market. OMB stated it will continue to work with relevant agencies to ensure that federal solutions for LMR take maximum advantage of category management principles. OMB also provided technical comments, which were incorporated as appropriate.

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## Related GAO Products

*Emergency Communications: Improved Procurement of Land Mobile Radios Could Enhance Interoperability and Cut Costs.* [GAO-17-12](#). Washington, D.C.: October 5, 2016.

## 24. Refundable Tax Credits

The Internal Revenue Service could potentially realize **hundreds of millions of dollars** in cost savings by improving the administration of three large refundable tax credits.



**Mission area:**  
General government

Source: PhotoDisc.

### Potential Benefit

Hundreds of millions of dollars in cost savings

### Implementing Entities

Internal Revenue Service

### Link to Actions

GAO identified four actions to improve the administration of refundable tax credits. See GAO's [Action Tracker](#).

### Related GAO Product

[GAO-16-475](#)

### Contact Information

For additional information about this area, contact James R. McTigue, Jr., at (202) 512-9110 or [mctiguej@gao.gov](mailto:mctiguej@gao.gov).

Millions of taxpayers—many of whom are low-income, working, raising children, or pursuing higher education—benefit from the three refundable tax credits GAO reviewed: (1) the Earned Income Tax Credit (EITC), (2) the Additional Child Tax Credit (ACTC), which is sometimes combined with its nonrefundable counterpart, the Child Tax Credit (CTC), and (3) the American Opportunity Tax Credit (AOTC). These credits and the Premium Tax Credit (PTC), which helps cover health-insurance premiums under the Patient Protection and Affordable Care Act, are the four refundable credits available to individuals. A refundable credit, in addition to offsetting tax liability, refunds to the taxpayer any excess credit over the tax liability. In 2013, the most recent year data are available, taxpayers claimed \$68.1 billion of the EITC, \$55.1 billion of the CTC/ACTC, and \$17.8 billion of the AOTC.

In May 2016, GAO identified several challenges with the Internal Revenue Service's (IRS) administration of these refundable tax credits. The credits have complex eligibility rules that contribute to compliance burden for taxpayers and administrative costs for IRS. These rules are often complex because they must address complicated family relationships and residency arrangements to determine who is a qualifying child. IRS has difficulty verifying compliance with the rules due to the lack of available third-party data. Due in part to this complexity, these credits have relatively high overclaim error rates. The average dollar amounts overclaimed per year for 2009 to 2011, the most recent years of data available at the time of GAO's review, were \$18.1 billion for the EITC, \$6.4 billion for the CTC/ACTC, and \$5.0 billion for the AOTC. IRS is working on a strategy to address EITC noncompliance, but this strategy does not encompass all refundable tax credits that GAO reviewed or the PTC.

GAO made four recommendations to IRS, including developing a comprehensive compliance strategy that includes all three refundable tax credits that GAO reviewed and using available data to identify potential sources of noncompliance and inform allocation decisions. (The PTC was not included in GAO's review because data were limited on this relatively new credit.) IRS agreed with three recommendations and has started to implement them, but raised concerns about the cost of studying collections data for postrefund enforcement activities. GAO recognizes that gathering collections data has costs. However, a significant amount of enforcement activity is occurring after refunds have been paid, and use of these data could better inform resource allocation decisions and improve the overall efficiency of enforcement efforts. As of February 2017, IRS is taking steps toward developing a comprehensive compliance

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strategy that includes the three refundable tax credits GAO reviewed, as well as the PTC. These steps include initial planning meetings with Lean Six Sigma consultants and refundable credit policy and program managers and soliciting volunteers for the teams needed to develop the strategy.

Without a comprehensive compliance strategy that includes all three refundable tax credits that GAO reviewed, IRS may be limited in its ability to assess and improve resource allocations. IRS is also missing opportunities to use available data to identify potential noncompliance and develop strategies for addressing them. Although there is uncertainty in the cost savings associated with these actions, given the size of these three credits even a small improvement in compliance, say a 1 percent reduction in overpayments, could contribute to a decrease in improper payments or other errors that could result in hundreds of millions of dollars in cost savings.

Table 40 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS said it did not have comments on this report section.

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## Related GAO Products

*Refundable Tax Credits: Comprehensive Compliance Strategy and Expanded Use of Data Could Strengthen IRS's Efforts to Address Noncompliance.* [GAO-16-475](#). Washington, D.C.: May 27, 2016.

## 25. Federal Payments for Hospital Uncompensated Care

By better aligning federal payments for hospitals' uncompensated care—services provided to uninsured and low-income patients for which hospitals are not fully compensated—with hospitals' costs, the Centers for Medicare & Medicaid Services could potentially save **over a billion dollars annually**.



Source: PhotoDisc.

### Potential Benefit

Over a billion dollars annually

### Implementing Entities

Centers for Medicare & Medicaid Services

### Link to Actions

GAO identified two actions to ensure better targeting of federal payments for hospital uncompensated care. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-568](#)

### Contact Information

For additional information about this area, contact Katherine Iritani at (202) 512-7114 or [iritanik@gao.gov](mailto:iritanik@gao.gov).

Hospitals historically have incurred billions of dollars in costs for uncompensated care—services they provide to uninsured and low-income patients for which they are not fully compensated. The federal government spends about \$50 billion annually to help hospitals with these costs. Both Medicare (the federal health-coverage program for the elderly and certain disabled individuals) and Medicaid (the joint federal–state program for low-income and medically needy individuals) make multiple types of payments that help offset hospital uncompensated care costs. The Patient Protection and Affordable Care Act, enacted on March 23, 2010, included a provision that required the Centers for Medicare & Medicaid Services (CMS) to better align Medicare and Medicaid payments with hospitals' uncompensated care costs. The act also redirected some existing Medicare funds that indirectly helped offset hospitals' uncompensated care costs toward a new Medicare Uncompensated Care payment program that would specifically help to offset these costs. The act directed CMS to distribute the Medicare Uncompensated Care payments on the basis of each hospital's uncompensated care costs.

GAO reported in June 2016 that Medicare Uncompensated Care payments are not well aligned with hospital uncompensated care costs, potentially resulting in relatively large amounts of available funding being distributed to hospitals where uncompensated care costs are likely declining. GAO identified two reasons for this poor alignment. First, payments are largely based on hospitals' Medicaid workload (hospital days spent treating Medicaid patients) rather than on actual hospital uncompensated care costs. CMS officials acknowledged this process could result in payments that are not aligned with uncompensated costs, particularly in states that have expanded Medicaid, resulting in fewer uninsured individuals and therefore lower uncompensated costs. Second, CMS does not account for hospitals' Medicaid payments that offset uncompensated care costs when making Medicare Uncompensated Care payments. In 2016, GAO estimated that the majority of Medicare Uncompensated Care payments to individual hospitals, about \$7.7 billion, were based on Medicaid workload. Supplemental Medicaid payments that these hospitals may have also received can significantly reduce or even eliminate some hospitals' uncompensated care costs. For example, in a 2012 report GAO found that for 255 hospitals Medicaid payments exceeded uncompensated care costs by over \$1.6 billion after accounting for supplemental Medicaid payments. This figure does not include

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hospitals whose Medicaid payments did not exceed uncompensated care costs but eliminated or nearly eliminated hospital uncompensated care costs.

GAO recommended that CMS improve alignment of Medicare Uncompensated Care payments by basing payments on actual hospital uncompensated care costs and account for Medicaid payments made when making Medicare Uncompensated Care payments to individual hospitals. The Department of Health and Human Services (HHS) concurred with both recommendations and indicated that the agency planned to implement them beginning in fiscal year 2021 to allow time for hospitals to collect and report reliable uncompensated care cost data.

Taking these actions could help CMS be a more efficient purchaser of health-care services by distributing Medicare Uncompensated Care payments to hospitals based on actual uncompensated care costs as intended. In addition, by accounting for the effect Medicaid payments have on reducing hospitals' costs for uncompensated care, CMS could prevent over a billion dollars of Medicare Uncompensated Care payments from going to hospitals that may not have any uncompensated care and reallocating them instead to hospitals that do continue to incur these costs.

Table 41 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CMS for review and comment. The agency provided technical comments and said it is making progress towards implementing the recommendations, such as the implementation of a fraud risk assessment.

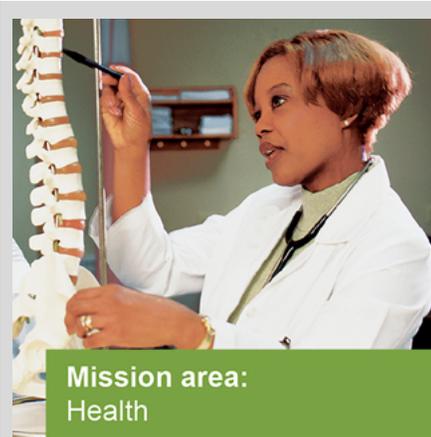
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## Related GAO Products

*Hospital Uncompensated Care: Federal Action Needed to Better Align Payments with Costs.* [GAO-16-568](#). Washington, D.C.: June 30, 2016.

## 26. Medicaid Personal Care Services

The Centers for Medicare & Medicaid Services needs timely, complete, and consistent data on Medicaid personal care services so it can effectively monitor these services, which could lead to **tens of millions of dollars in annual savings**.



Source: PhotoDisc.

**Mission area:**  
Health

### Potential Benefit

Tens of millions of dollars annually

### Implementing Entities

Centers for Medicare & Medicaid Services

### Link to Actions

GAO identified three actions to improve Medicaid data on personal care services needed for oversight. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-17-169](#)

### Contact Information

For additional information about this area, contact Katherine Iritani at (202) 512-7114 or [iritanik@gao.gov](mailto:iritanik@gao.gov).

Millions of individuals who have limited ability to care for themselves because of age or disability depend on Medicaid personal care services for help bathing, dressing, and toileting, among other assistance, so they can remain in their homes. Yet personal care services are at high risk of improper payments. According to the Centers for Medicare & Medicaid Services' (CMS) 2014 Improper Payments Report, more than \$2 billion in payments for personal care services (about 6 percent) were improper in 2014. This improper payment rate is the third-highest rate among all Medicaid service categories.

Medicaid is a federal–state health-financing program for low-income and medically needy individuals. CMS manages two data systems that collect information from state Medicaid programs on personal care services. One system collects detailed information on provider claims and state payments for services rendered. The second system collects states' total aggregate Medicaid expenditures across broad service categories for purposes of federal reimbursement. These data suggest that expenditures for personal care services are large and growing—to nearly \$15 billion in fee-for-service expenditures in 2015, up \$2.3 billion from 2012.

In January 2017, GAO found that the two systems' data have limited usefulness for CMS oversight because of certain gaps and errors. For example, data from the claims system for 2012 (the most recent available at the time of GAO's review) were lacking for 16 states, and of the remaining states, key information needed for oversight was often missing or inconsistent. This key information included provider identification numbers and the type, quantity, and dates of services. Without reliable claims data, CMS is unable to effectively monitor who provided the services and the types, amounts, and time frames of the services, which makes it challenging for CMS to verify that beneficiaries were eligible at the time of service and that the payment amounts were reasonable.

Likewise, data from the expenditure system were not always accurate or complete. From 2012 through 2015, 17 percent of expenditure lines for personal care services were not reported correctly, mainly due to states not separately reporting expenditures for personal care services, as required by CMS. States also erroneously reported, or failed to report, expenditures corresponding with their approved personal care service programs. As a result of these problems, CMS is limited in its oversight

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ability, including accurately estimating the magnitude of potential improper payments and ensuring that federal reimbursement for personal care services is consistent with states' approved programs.

CMS has taken some steps to address these data problems, such as developing a new system for collecting Medicaid claims data and establishing an office to support CMS's use of Medicaid data for program management and monitoring. However, CMS has not issued guidance related to reporting of personal care services that addresses the issues GAO identified, or developed plans to use personal care service data for oversight.

GAO recommended that CMS improve personal care services data by establishing standard reporting guidance for key data, ensuring state compliance with reporting requirements, and developing plans to use data for oversight. The Department of Health & Human Services (HHS) agreed with GAO's recommendations to ensure state compliance with reporting requirements and develop plans to use the data; it neither agreed nor disagreed with the recommendation to establish standard reporting guidance for data on personal care services. HHS officials stated they had recently published a request for information to gather input on additional reforms and policy options, including appropriate reporting standards, and that the information collected will be used to determine the agency's next steps. As of March 2017, CMS has not yet determined which steps it will take, if any.

Taking these actions could result in CMS collecting better data on personal care services and using the data for more effective monitoring and oversight, including identification of improper payments. Based on CMS's estimated improper payment rate for personal care services and annual spending on personal care services, reducing improper payments for Medicaid personal care services could result in cost savings in the tens of millions of dollars annually.

Table 42 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CMS for review and comment. CMS provided technical comments and in response GAO made changes in this report section where appropriate.

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## Related GAO Products

*Medicaid: CMS Needs Better Data to Monitor the Provision of and Spending on Personal Care Services.* [GAO-17-169](#). Washington, D.C.: January 12, 2017.

## 27. Medicare Advantage Improper Payments

The Centers for Medicare & Medicaid Services could recover **hundreds of millions of dollars** in improper payments by improving its processes for auditing payments to Medicare Advantage organizations.



Mission area:  
Health

Source: PhotoDisc.

### Potential Benefit

Hundreds of millions of dollars annually

### Implementing Entities

Centers for Medicare & Medicaid Services

### Link to Actions

GAO identified five actions to help improve audit processes to recover improper payments. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-76](#)

### Contact Information

For additional information about this area, contact James Cosgrove at (202) 512-7114 or [cosgrovej@gao.gov](mailto:cosgrovej@gao.gov).

In 2016, the Centers for Medicare & Medicaid Services (CMS) paid approximately \$160 billion to Medicare Advantage (MA) organizations—entities that offer a private plan alternative to traditional Medicare. CMS estimated that improper payments to MA organizations totaled about \$16 billion in 2014, primarily because MA organizations submitted unsupported diagnosis information that led CMS to increase its payments. CMS pays MA organizations a predetermined monthly amount per beneficiary. The monthly payments are adjusted using information on enrollees' diagnosis codes to account for variation in the costs of providing health care to beneficiaries, a process known as risk adjustment. For example, CMS increases payments for MA contracts that enroll beneficiaries who are in poorer health.

CMS conducts risk adjustment data validation (RADV) audits to determine the accuracy of the diagnosis information and to recover improper payments. In the audits, CMS assesses the accuracy of the diagnosis information for a sample of beneficiaries for each selected MA contract. CMS then extrapolates the audit results to all the beneficiaries in the contract. CMS has RADV audits under way for payments made in 2011, 2012, and 2013; none have been completed. CMS has estimated that completing annual RADV audits would allow it to recover hundreds of millions of dollars in improper payments yearly.

In April 2016, GAO reported that CMS's RADV audit process needs fundamental improvements. GAO found that (1) CMS did not select for inclusion in the RADV audit program those MA contracts with the greatest potential for recovery of improper payments; (2) the RADV audit process is so lengthy that CMS's goal to conduct annual audits is in jeopardy; and (3) CMS has failed to include Recovery Audit Contractors (RAC) in MA, as required by the Patient Protection and Affordable Care Act.

GAO made five recommendations to CMS to improve its processes for selecting contracts to include in the RADV audits, enhance the timeliness of the audits, and incorporate RACs into the RADV audits. The Department of Health and Human Services (HHS), which administers CMS, agreed with the recommendations in GAO's report. As of July 2016, CMS reported that it had taken initial actions to address GAO's recommendations, but none have been fully implemented. HHS did not provide an update on the status of its efforts to implement GAO's recommendation, as requested in March 2017.

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Implementing GAO's recommendations would allow CMS to recover greater sums of improper payments to MA organizations by conducting the audits more quickly, by focusing the audits on those contracts that are most likely to produce substantial recoveries, and by increasing CMS's audit resources. Although it is not possible to estimate the exact amount of savings that would result from implementation of these recommendations, CMS estimated that the RADV audit for the 2011 payment year will produce savings of \$370 million when completed. If the impact were similar in other years, the cost savings could amount to hundreds of millions of dollars annually.

Table 43 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to HHS for review and comment. HHS did not provide comments on this report section.

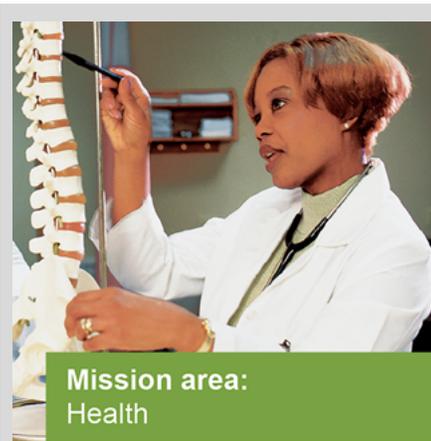
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## Related GAO Products

*Medicare Advantage: Fundamental Improvements Needed in CMS's Effort to Recover Substantial Amounts of Improper Payments.*  
[GAO-16-76](#). Washington, D.C.: April 8, 2016.

## 28. Patient Protection and Affordable Care Act Enrollment

By strengthening enrollment controls and better managing fraud risk for health-insurance coverage provided under the Patient Protection and Affordable Care Act, the Centers for Medicare & Medicaid Services could realize cost savings associated with subsidies and related spending, which were estimated to cost \$56 billion for fiscal year 2017.



**Mission area:**  
Health

Source: PhotoDisc.

### Potential Benefit

Cost savings associated with subsidies and related spending

### Implementing Entities

Centers for Medicare & Medicaid Services

### Link to Actions

GAO identified eight actions to strengthen enrollment controls and better manage fraud risk. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-29](#)

### Contact Information

For additional information about this area, contact Seto Bagdoyan at (202) 512-6722 or [bagdoyans@gao.gov](mailto:bagdoyans@gao.gov).

The Patient Protection and Affordable Care Act provides for the establishment of health-insurance exchanges to help consumers compare and select among plans offered by participating private issuers of health-care coverage, and offers subsidies to individuals eligible to purchase plans if they meet certain income and other requirements. According to the Congressional Budget Office, the estimated cost of subsidies and related spending under the act will total \$866 billion for fiscal years 2017 through 2026.

GAO found, based on undercover testing and other work, that the eligibility and enrollment process is vulnerable to fraud and that there are a number of actions the agency could take to promote program integrity and potentially realize cost savings. Among other things, GAO found that although an electronic verification process, using what is known as the “data services hub,” plays a key role in the eligibility and enrollment process for individual applicants, the Centers for Medicare & Medicaid Services (CMS) does not track or analyze aggregate outcomes. As a result, CMS forgoes information that could suggest potential program issues or vulnerabilities to fraud, as well as information that might be useful for enhancing program management. GAO also found the agency did not have an effective process for resolving “inconsistencies”—instances where applicant-supplied information does not match information from government data sources, such as tax-return information. By not resolving inconsistencies more effectively, the agency is at risk of granting eligibility to, and making subsidy payments on behalf of, individuals who are ineligible to enroll. The agency has not performed a comprehensive fraud risk assessment of the enrollment and eligibility process. Until such an assessment is done, CMS is unlikely to know whether existing control activities are suitably designed and implemented to reduce inherent fraud risk to an acceptable level.

In February 2016, GAO recommended that CMS take eight actions centered on the enrollment and eligibility process—specifically, to better oversee the efficacy of the process; to better monitor costs, risk, and program performance; to assist with tax compliance; to strengthen the eligibility-determination process; to provide applicants with improved customer service and up-to-date information about submission of eligibility documentation; and to better document agency activities. The agency concurred with GAO’s recommendations and at that time told

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GAO it is working to implement the recommendations; but it does not yet have a schedule for implementation. As of March 2017, the eight recommendations remained open.

Implementation of these recommendations could help the government run the program more efficiently, and, in the case of subsidized coverage in particular, avoid the cost of subsidies paid on behalf of applicants who are ineligible. However, estimating potential cost savings is difficult because CMS has yet to undertake work to assess the extent to which ineligible applicants may be receiving subsidies.

Table 44 in appendix VIII provides program information for the program related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CMS for review and comment. The agency provided technical comments and said it is making progress towards implementing the recommendations.

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## Related GAO Products

*Patient Protection and Affordable Care Act: CMS Should Act to Strengthen Enrollment Controls and Manage Fraud Risk.* [GAO-16-29](#). Washington, D.C.: February 23, 2016.

## 29. Disability Insurance

The Social Security Administration could recover **tens of millions of dollars annually** in Disability Insurance (DI) overpayments by increasing withholding rates of individuals' ongoing monthly DI benefit payments.



**Mission area:**  
Income security

Source: PhotoDisc.

### Potential Benefit

Tens of millions of dollars annually

### Implementing Entities

Social Security Administration

### Link to Actions

GAO identified two actions to recover Disability Insurance overpayments. See GAO's [Action Tracker](#).

### Related GAO Products

[GAO-16-331](#)

### Contact Information

For additional information about this area, contact Barbara D. Bovbjerg at (202) 512-7215 or [bovbjergb@gao.gov](mailto:bovbjergb@gao.gov).

The Social Security Administration's (SSA) Disability Insurance (DI) program provides cash payments to individuals who can no longer work because of physical or mental impairments. In fiscal year 2015, SSA paid approximately \$144 billion in DI benefits to about 10.8 million beneficiaries and their dependents. That same year, SSA detected approximately \$1.2 billion in new DI overpayments—payments made in excess of what individuals are owed. Overpayments result from beneficiaries earning income above program limits, errors in recordkeeping, and other reasons. SSA uses a number of tools to recover these funds and return them to the Disability Insurance Trust Fund—the largest of which is withholding a portion of the monthly DI benefit payments due to individuals collecting benefits, accounting for 78 percent of recoveries in fiscal year 2015.

In April 2016, GAO reported that SSA could increase overpayments recovered through benefit withholding by pursuing additional tools, but SSA lacked concrete plans and time frames for studying or implementing these options. At that time, SSA stated that it was considering adjusting the minimum withholding amount from \$10 per month—an amount which has not changed since 1960 according to SSA—to 10 percent of the DI monthly benefit amount, which the agency noted would put collections more in line with its Supplemental Security Income program. GAO identified additional options that would protect the value of collections against the effects of inflation: adjusting withholding amounts in accordance with annual cost-of-living adjustments and charging interest on debts being collected through withholding.

GAO recommended that SSA (1) adjust its minimum monthly withholding rate to 10 percent of DI benefits and (2) consider adjusting withholding rates according to cost-of-living adjustments or charging interest on debt being recovered through withholding and, if deemed necessary, pursue legislative authority to use any of these recovery tools that it is currently unable to use. SSA agreed with the first recommendation and noted that it submitted a related legislative proposal in its 2017 budget submission. However, SSA disagreed with the second recommendation, stating that while it had not fully studied the costs and benefits, it believed that such changes would entail significant information-technology and training costs and result in relatively little debt being collected. GAO maintains that the options merit further exploration in light of SSA not fully considering their costs and benefits. As of February 2017, SSA has yet to implement either recommendation.

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Implementing these recommendations could help SSA recover tens of millions of dollars in overpayments annually—above those already scheduled to be withheld—and shorten the length of time needed to complete repayments of these debts, which in some cases may take decades. For example, GAO estimated that adjusting the minimum withholding rate to 10 percent of monthly DI benefits would result in an additional \$276 million returned to the Disability Insurance Trust Fund in fiscal years 2016 through 2020. GAO estimated these amounts by using data on existing overpayment balances and scheduled repayment amounts at the end of fiscal year 2015. The repayment amounts GAO estimated do not account for future changes such as individuals who gain or lose eligibility for benefits or whose ability to repay changes, so actual repayments would likely differ.

Table 45 in appendix VIII lists federal programs or activities and budgetary information related to this issue area.

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## Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SSA for review and comment. SSA continues to disagree with GAO's second recommendation. SSA also provided technical comments, which GAO incorporated as appropriate.

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## Related GAO Products

*Disability Insurance: SSA Needs to Better Track Efforts and Evaluate Options to Recover Debt and Deter Potential Fraud.* [GAO-16-331](#). Washington, D.C.: April 13, 2016.

## Appendix V: New Actions Added to Existing Areas in 2017

As part of our April 2017 update of GAO's *Action Tracker*, we are adding 10 new actions based on GAO reports that fall within the scope of 6 existing areas identified in prior annual reports. These actions are summarized in table 14.

**Table 14: New Actions Added to Existing Areas in 2017**

| Mission            | Annual report | Area  | Associated GAO product | Actions identified   |
|--------------------|---------------|---|------------------------|--|
| Agriculture        | 2011          | Food Safety (Area 1)                          | GAO-17-74              | Appropriate entities within the Executive Office of the President, in consultation with relevant federal agencies and other stakeholders, should develop a national strategy that states the purpose of the strategy, establishes high-level sustained leadership, identifies resource requirements, monitors progress, and identifies short- and long-term actions to improve the food safety oversight system.   |
| General government | 2016          | Identity Theft Refund Fraud (Area 22)         | GAO-16-508             | The Internal Revenue Service (IRS) should, in accordance with Office of Management and Budget (OMB) and National Institute for Standards and Technology e-authentication guidance, (1) conduct an updated risk assessment to identify new or ongoing risks for the Taxpayer Protection Program's online and phone authentication options, including documentation of time frames for conducting the assessment, and (2) implement appropriate actions to mitigate risks identified in the assessment.  |
|                    | 2013          | Agencies' Use of Strategic Sourcing (Area 23) | GAO-17-164             | <p>To better promote federal agency accountability for implementing the federal strategic sourcing and category management initiatives, the Administrator of Federal Procurement Policy should ensure that transition plans are submitted and monitored as required by strategic sourcing and category management guidance.</p> <p>To better promote federal agency accountability for implementing the federal strategic sourcing and category management initiatives, the Administrator of Federal Procurement Policy should update the Leadership Council charter to establish an expectation that Leadership Council agencies develop agency-specific targets for use of the solutions approved.</p> |

**Appendix V: New Actions Added to Existing Areas in 2017**

| <b>Mission</b>        | <b>Annual report</b> | <b>Area</b>                                     | <b>Associated GAO product</b> | <b>Actions identified</b>   |
|-----------------------|----------------------|---|-------------------------------|---|
|                       |                      |   |                               | To better promote federal agency accountability for implementing the federal strategic sourcing and category management initiatives, the Administrator of Federal Procurement Policy should revise the 2015 category management guidance to establish a process for setting targets and performance measures for each Leadership Council agency's adoption of proposed strategic sourcing and category management solutions and ensure agency-specific targets and measures are set.  |
|                       | 2011                 | Tax Expenditures (Area 17)                      | GAO-16-622                    | The Director of OMB, in collaboration with the Secretary of the Treasury, should work with agencies to identify which tax expenditures contribute to their agency goals, as appropriate—that is, they should identify which specific tax expenditures contribute to specific strategic objectives and agency priority goals.  |
| International Affairs | 2011                 | Antidumping and Countervailing Duties (Area 81) | GAO-16-542                    | <p>To better manage the Antidumping and Countervailing (AD/CV) duty liquidation process, Customs and Border Patrol (CBP) should issue guidance directing the AD/CV Duty Centralization Team to (1) collect and analyze data on a regular basis to identify and address the causes of liquidations that occur contrary to the process or outside the 6-month timeframe mandated by the statute, (2) track progress on reducing such liquidations, and (3) report on any effects these liquidations may have on revenue.</p> <p>To improve risk management in the collection of AD/CV duties and to identify new or changing risks, CBP should regularly conduct a comprehensive risk analysis that assesses both the likelihood and the significance of risk factors related to AD/CV duty collection. For example, CBP could construct statistical models that explore the associations between potential risk factors and both the probability of nonpayment and the size of nonpayment when it occurs.</p> <p>To improve risk management in the collection of AD/CV duties, CBP should, consistent with U.S. law and international obligations, take steps to use its data and risk assessment strategically to mitigate AD/CV duty nonpayment, such as by using predictive risk analysis to identify entries that pose heightened risk and taking appropriate action to mitigate the risk.</p> |
| Social Services       | 2012                 | Housing Assistance (Area 28)                    | GAO-15-645                    | The Secretary of Housing and Urban Development, in consultation with the Rental Policy Working Group, should work with states and localities to develop an approach for compiling and reporting on the collective performance of federal, state, and local rental assistance programs. Such an effort may begin with one or more pilot programs to test approaches before they are considered for wider application.  |

Source: GAO. | GAO-17-491SP

## Appendix VI: Open Congressional Actions, by Mission

In our 2011 to 2017 annual reports, we directed 97 actions to Congress, of which 61 remain open. Of the 61 open congressional actions, 9 are partially addressed and 52 are not addressed, as of March 1, 2017. See table 15.

**Table 15: GAO-Identified Open Congressional Actions Related to Fragmentation, Overlap, Duplication, Cost Savings, or Revenue Enhancement, 2011–2017**

| Mission     | Annual report                                     | Area  | Action summary  |
|-------------|---|---|---|
| Agriculture | 2011  | Food Safety (Area 1)  | Congress should consider commissioning the National Academy of Sciences or a blue ribbon panel to conduct a detailed analysis of alternative food safety organizational structures.<br><br>Congress should consider formalizing the Food Safety Working Group through statute to help ensure sustained leadership across food safety agencies over time.  |
|             |   | Catfish Inspection (Area 1)   | Congress should consider repealing provisions of the 2008 Farm Bill assigning the U.S. Department of Agriculture (USDA) responsibility for examining and inspecting catfish and for creating a catfish inspection program. Implementing this action could save taxpayers <b>\$2.6 million annually</b> , according to a Food Safety and Inspection Service estimate.                                  |
|             | Agricultural Quarantine Inspection Fees (Area 18) | Congress should consider taking steps to allow the Secretary of Agriculture to set fee rates to recover the full costs of the Agricultural Quarantine Inspection program. Implementing this action could have resulted in savings of <b>\$93 million in fiscal years 2016 and 2017</b> , according to GAO analysis.   |   |
|             | Crop Insurance (Area 19)                          | Congress may wish to consider either limiting the amount of premium subsidies that an individual farmer can receive each year—as it limits the amount of payments to individual farmers in many farm programs—or reducing premium subsidy rates, or both limiting premium subsidies and reducing premium subsidy rates. Implementing this action could achieve up to <b>nearly \$2 billion per year</b> in cost savings, according to a GAO estimate. |   |
| Defense     | 2012  | Stabilization, Reconstruction, and Humanitarian Assistance Efforts (Area 6)   | Congress should consider amending the legislation that supports the Overseas Humanitarian, Disaster, and Civic Aid–funded humanitarian assistance program—the Department of Defense’s (DOD) largest humanitarian assistance program—to more specifically define DOD’s role in humanitarian assistance, taking into account the roles and similar types of efforts performed by the civilian agencies. |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>              | <b>Annual report</b> | <b>Area</b>   | <b>Action summary</b>  |
|-----------------------------|----------------------|---|--|
|                             | 2013                 | <a href="#">Joint Basing (Area 20)</a>                              | Congress should consider directing the Assistant Secretary of Defense for Energy, Installations, and Environment, in collaboration with the military services and joint bases, to evaluate the purpose of the program and determine whether the current goals, as stated in the 2005 Base Realignment and Closure Commission recommendation, are still appropriate, or whether goals should be revised; communicate these goals to the military services and joint bases, and adjust program activities accordingly; provide direction to the joint bases on requirements for meeting program goals, including determining reporting requirements and milestones; and determine any next steps for joint basing, including whether to expand it to other installations.                    |
| <b>Economic development</b> | 2011                 | <a href="#">Essential Air Service (Area 42)</a>                     | <p>Congress may wish to consider revising the program’s operating requirements for providing air service to communities to improve efficiency and to better match capacity with community use.</p> <p>This action is partially addressed. Congress has taken some action to address this action, such as revising the program’s operating requirements most recently in the Consolidated and Further Continuing Appropriations Act of 2016. However, opportunities still exist to address this action, such as allowing flexibility in the number of flights provided.</p> <p>Congress may wish to consider assessing multimodal solutions, such as more cost-effective bus service to hub airports or air taxi service, to provide communities alternatives to Essential Air Service.</p> |
|                             | 2016                 | <a href="#">Treasury’s Foreclosure Prevention Efforts (Area 17)</a> | <p>Congress should consider rescinding any Department of the Treasury (Treasury)—deobligated excess Making Home Affordable (MHA) balances that Treasury does not move into the Hardest Hit Fund.</p> <p>The agency estimated \$4.7 billion in potential excess funds, \$2 billion of which Treasury deobligated in February 2016. As of March 1, 2017, Treasury had not deobligated MHA program funds beyond the \$2 billion that it transferred to the Troubled Asset Relief Program—funded Hardest Hit Fund in February 2016. To the extent that Treasury identifies and deobligates any MHA funds that are likely to not be expended, these funds may then be available for Congress to rescind and use elsewhere for other priorities.</p>   |
| <b>Energy</b>               | 2011                 | <a href="#">Federal Fleet Energy Goals (Area 12)</a>                | Congress should consider changes in existing laws to streamline the requirements and provide fleet managers with more flexibility in meeting goals.  |
|                             |                      | <a href="#">Oil and Gas Resources (Area 45)</a>                     | <p>Congress may need to take action to require Interior to establish an annual production incentive fee or similar fee for nonproducing leases.</p> <p>If the Department of the Interior (Interior) chooses not to take any action based on its study, examining how other oil and gas resource owners select fiscal parameters for leasing and adjusting oil and gas royalty rates, Congress may wish to provide additional guidance or take additional actions to direct Interior to improve its oversight of federal lands and waters and the revenues derived from production of oil and gas. Implementing the actions in this area could result in approximately <b>\$1.7 billion</b> in revenues over 10 years, according to an Interior estimate.</p>                               |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>            | <b>Annual report</b> | <b>Area</b>   | <b>Action summary</b>  |
|---------------------------|----------------------|---|--|
|                           | 2012                 | <a href="#">Excess Uranium Inventories (Area 40)</a>                              | <p>Congress may wish to clarify the Department of Energy’s (DOE) statutory authority regarding depleted uranium, explicitly providing direction about whether and how DOE may sell or transfer the tails in their current form. Depending on the terms of the legislation, and given the significant amount of tails in inventory, the government could garner substantial revenue as a result.</p> <p>If Congress sees merit in using the proceeds from the barter, transfer, or sale of federal uranium assets to pay for environmental cleanup of uranium enrichment plants, it could consider providing DOE with explicit authority to barter excess uranium and to retain the proceeds from all three types of uranium transactions (barter, transfer, and sale). Likewise, Congress could direct DOE to sell uranium for cash and make those proceeds available by appropriation for decontamination and decommissioning expenses at DOE’s uranium enrichment plants.</p> <p>Implementing the two actions in this area could result in a increased revenue of about <b>\$1 billion</b>, according to a GAO estimate.</p> |
|                           | 2014                 | <a href="#">Advanced Technology Vehicles Manufacturing Loan Program (Area 13)</a> | <p>Unless DOE can demonstrate a demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining \$4.2 billion in credit subsidy appropriations. Implementing this action could result in savings of <b>\$4.2 billion</b>, according to a GAO estimate.</p>  |
|                           | 2015                 | <a href="#">U.S Enrichment Corporation Fund (Area 16)</a>                         | <p>Congress may wish to permanently rescind the entire <b>\$1.6 billion</b> balance of the U.S. Enrichment Corporation Fund. Rescission may increase the transparency of federal agencies’ budget presentations and help Congress have a clear understanding of how new funding requests relate to funding decisions for existing projects with continuing resource needs.</p>   |
| <b>General government</b> | 2011                 | <a href="#">Simple Tax Return Errors (Area 56)</a>                                | <p>Congress may want to consider granting the Internal Revenue Service (IRS) broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing.</p> <p>This action is partially addressed. The Consolidated Appropriations Act, 2016 gave IRS additional math error authority, but limited to certain circumstances. Giving IRS broader math error authority with appropriate controls would enable IRS to correct obvious noncompliance, would be less intrusive and burdensome to taxpayers than audits, and would potentially help taxpayers who underclaim tax benefits to which they are entitled. Implementing this action could result in cost savings of <b>\$274 million</b>, between fiscal years 2018 and 2026, according to the Joint Committee on Taxation.</p>  |
|                           |                      | <a href="#">S Corporations (Area 63)</a>  | <p>Congress could require S corporations to use information already available to them to calculate shareholders’ basis as completely as possible and report it to shareholders and IRS.</p>  |
|                           |                      | <a href="#">Research Tax Credit (Area 65)</a>                                     | <p>Congress could eliminate the regular credit and add a minimum base amount (equal to 50 percent of a taxpayer’s current spending) to the method for computing the alternative simplified credit.</p>   |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b> | <b>Annual report</b> | <b>Area</b>  | <b>Action summary</b>   |
|----------------|----------------------|--|---|
|                |                      | <a href="#">New Markets Tax Credit (Area 66)</a>                       | Congress should consider offering grants in lieu of credits to Community Development Entities (CDE) if it extends the program again. If it does so, Congress should require the Department of the Treasury to gather appropriate data to assess whether and to what extent the grant program increases the amount of federal subsidy provided to low-income community businesses compared to the New Markets Tax Credit (NMTC); how costs for administering the program incurred by the Community Development Financial Institutions (CDFI) Fund, CDEs, and investors would change; and whether the grant program otherwise affects the success of efforts to assist low-income communities. One option would be for Congress to set aside a portion of funds to be used as grants and a portion to be used as tax credit allocation authority under the current structure of the program to facilitate comparison of the two program structures. |
|                |                      | <a href="#">Governmental Bonds (Area 67)</a>                           | Congress should consider whether facilities, including hotels and golf courses, that are privately used should be financed with tax-exempt government bonds.  |
| 2012           |                      | <a href="#">Internal Revenue Service Enforcement Efforts (Area 44)</a> | <p>Congress may wish to make owners of rental real estate subject to the same payment reporting requirements regardless of whether they engaged in a trade or business under current law. Implementing this action could result in savings of <b>\$2.5 billion</b> between fiscal years 2011 and 2020, according to the Joint Committee on Taxation.</p> <p>To help improve taxpayer compliance, Congress may wish to require payers to report service payments to corporations, thereby reducing payers' burden to determine which payments require reporting.</p>   |
| 2015           |                      | <a href="#">Consumer Product Safety Oversight (Area 4)</a>             | <p>Congress should consider transferring the oversight of the markings of toy and imitation firearms in section 5001 of title 15 of the U.S. Code from the Department of Commerce's National Institute of Standards and Technology to the Consumer Product Safety Commission.</p> <p>Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. Different types of formal mechanisms could include, for example, creating a memorandum of understanding to formalize relationships and agreements or establishing a task force or interagency work group. As a starting point, Congress may wish to obtain agency input on options for establishing more formal coordination.</p>       |
| 2015           |                      | <a href="#">Tax Policies and Enforcement (Area 17)</a>                 | <p>Congress should consider revisiting the use of individual retirement accounts (IRA) to accumulate large balances and considering ways to improve the equity of the existing tax expenditure on IRAs. Options could include limits on (1) the types of assets permitted in IRAs, (2) the minimum valuation for an asset purchased in an IRA, or (3) the amount of assets that can be accumulated in IRAs and employer-sponsored plans that get preferential tax treatment.</p> <p>Congress should consider expanding the mandate that partnerships and S corporations electronically file their tax returns in order to cover a greater share of filed returns.</p>   |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b> | <b>Annual report</b> | <b>Area</b>  | <b>Action summary</b>   |
|----------------|----------------------|--|---|
|                | 2016                 | <a href="#">Financial Regulatory Structure (Area 5)</a>        | <p>Congress should consider whether additional changes to the financial regulatory structure are needed to improve (1) the efficiency and effectiveness of oversight; (2) the consistency of consumer and investor protections; and (3) the consistency of financial oversight for similar institutions, products, risks, and services.</p> <p>Congress should consider whether legislative changes are necessary to align the Financial Stability Oversight Council's authorities with its mission to respond to systemic risks.</p>   |
|                | 2016                 | <a href="#">Identity Theft Refund Fraud (Area 22)</a>          | <p>Congress should consider providing the Secretary of the Treasury with the regulatory authority to lower the threshold for electronic filing of W-2s from 250 returns annually to between 5 to 10 returns, as appropriate. Implementing the actions in this area could result in savings of <b>billions of dollars</b>, according to IRS and GAO analyses.</p>  |
|                | 2017                 | <a href="#">Recovery Operations Center Closure (Area 10)</a>   | <p>Congress may wish to consider directing the Council of the Inspectors General for Integrity and Efficiency (CIGIE) to develop a legislative proposal to reconstitute the essential capabilities of the Recovery Operations Center to help ensure federal spending accountability.</p>  |
|                | 2017                 | <a href="#">Use of the Do Not Pay Working System (Area 11)</a> | <p>Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file with the Department of the Treasury for use through the Do Not Pay working system.</p>   |
| <b>Health</b>  | 2011                 | <a href="#">Medicare's Health Care Payments (Area 74)</a>      | <p>Congress could exempt from the budget neutrality requirement savings attributable to policies that reflect efficiencies occurring when services are furnished together.</p> <p>This action is partially addressed. While Congress has exempted certain savings from the budget neutrality requirement, other services remain subject to this requirement.</p>  |
|                | 2013                 | <a href="#">Medicaid Supplemental Payments (Area 26)</a>       | <p>Congress should consider requiring the Administrator of the Centers for Medicare &amp; Medicaid Services (CMS) to improve state reporting of non-disproportionate share hospital (DSH) supplemental payments, including requiring annual reporting of payments made to individual facilities and other information that the agency determines is necessary to oversee non-DSH payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require annual state reporting of non-DSH supplemental payments made to individual facilities. However, as of March 2017, Congress has not enacted legislation to require such reporting. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring annual reporting of certain Medicaid supplemental payments and awarding a contract to review Medicaid supplemental payment information submitted by states.</p> |

Appendix VI: Open Congressional Actions, by Mission

| Mission | Annual report | Area  | Action summary  |
|---------|---------------|---|---|
|         |               |   | <p>Congress should consider requiring the Administrator of CMS to clarify permissible methods of calculating non-DSH supplemental payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require CMS to issue guidance to states that identifies permissible methods for calculating non-DSH supplemental payments to providers. However, as of March 2017, Congress has not enacted legislation to require CMS to issue such guidance. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring states to submit non-DSH supplemental payment information and awarding a contract to review Medicaid supplemental payment information submitted by states.</p> <p>Congress should consider requiring the Administrator of CMS to require states to submit an annual independent certified audit verifying state compliance with permissible methods for calculating non-DSH supplemental payments.</p> <p>Implementing the actions in this area could result in <b>hundreds of millions dollars</b> in cost savings, according to GAO analysis.</p> |
| 2014    |               | <a href="#">Medicaid Demonstration Waivers (Area 21)</a>                | <p>Congress could consider requiring the Secretary of Health and Human Services to improve the Medicaid demonstration review process, through steps such as improving the review criteria, better ensuring that valid methods are used to demonstrate budget neutrality, and documenting and making clear the basis for the approved limits.</p> <p>Implementing the actions in this area could result in <b>billions of dollars</b> in cost savings, according to GAO analysis.</p>  |
| 2015    |               | <a href="#">DOD US Family Health Plan (Area 6)</a>                      | <p>Congress should terminate the Secretary of Defense’s authority to contract with the US Family Health Plan (USFHP) designated providers in a manner consistent with a reasonable transition of affected enrollees into TRICARE’s USFHP regional managed care program or other health care programs, as appropriate. Implementing this action could result in savings of <b>\$157 million</b> from fiscal year 2018 through fiscal year 2022, according to GAO analysis.</p>   |
| 2015    |               | <a href="#">Medicare Payments to Certain Cancer Hospitals (Area 19)</a> | <p>Congress should consider requiring Medicare to pay prospective payment system (PPS)-exempt cancer hospitals (PCH) as it pays PPS teaching hospitals, or provide the Secretary of Health and Human Services with the authority to otherwise modify how Medicare pays PCHs, and provide that all forgone outpatient payment adjustment amounts be returned to the Supplementary Medical Insurance Trust Fund. GAO estimated this action could result in savings of almost <b>\$500 million per year</b>.</p>   |
| 2016    |               | <a href="#">Medicare Payments by Place of Service (Area 30)</a>         | <p>Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits—and other services that the Secretary deems appropriate—and return the associated savings to the Medicare program. Implementing this action could lead to <b>\$1 billion per year</b> in savings, according to estimates from MedPAC and the Bipartisan Policy Center.</p>  |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>                           | <b>Annual report</b> | <b>Area</b>  | <b>Action summary</b>  |
|--|----------------------|--|--|
| <b>Homeland security/law enforcement</b> | 2012                 | <a href="#">Homeland Security Grants (Area 17)</a>   | <p>Congress may want to consider requiring the Department of Homeland Security (DHS) to report on the results of its efforts to identify and prevent unnecessary duplication within and across the State Homeland Security Grant Program, Urban Areas Security Initiative, Port Security Grant Program, and Transit Security Grant Program, and consider these results when making future funding decisions for these programs.</p> <p>Once the Federal Emergency Management Agency has completed a national preparedness assessment of capability gaps, Congress may wish to consider limiting the use of federal preparedness grant programs to fund only projects to fill identified, validated, and documented capability gaps that may (or may not) include maintaining existing capabilities developed.</p>  |
|  |                      | <a href="#">Immigration Inspection Fee (Area 49)</a> | <p>Congress may wish to require the Secretary of Homeland Security to adjust the air passenger immigration inspection fee as needed so that collections are aligned with total inspection costs, if it is determined that total immigration fee collections do not cover total immigration inspection costs.</p> <p>This action is partially addressed. As of March 2017, Congress had not enacted legislation, as GAO suggested in February 2012, to adjust the air passenger immigration fee. However, Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) have identified the extent to which collections are aligned with total immigration inspection costs. Implementing this action would have increased annual revenues by \$175 million in FY2012, according to GAO analysis.</p> <p>Congress may wish to require the Secretary of Homeland Security to direct ICE and CBP to establish a regular schedule to review and coordinate on the costs of their respective air passenger immigration inspection activities, and revise the proportion of the fee received by each agency accordingly.</p> |
|  |                      | <a href="#">Checked Baggage Screening (Area 28)</a>  | <p>Congress may wish to consider directing the Transportation Security Administration (TSA) to study, in consultation with relevant industry stakeholders, whether the 90 percent federal cost share that TSA generally applies to cost sharing agreements for eligible airport facility modification projects related to the installation of checked baggage screening systems is appropriate or should be adjusted.</p> <p>Congress may wish to consider whether an amendment to current legislation, or enactment of new legislation, is necessary and warranted if it is determined that a change in the current federal cost share that TSA generally applies to these cost-sharing agreements is appropriate.</p> <p>Implementing the actions in this area could result in savings of <b>\$234 million</b> from 2015 to 2027, according to a TSA estimate.</p>   |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>                | <b>Annual report</b> | <b>Area</b>   | <b>Action summary</b>  |
|-------------------------------|----------------------|---|--|
| <b>Income security</b>        | 2011                 | <a href="#">Social Security Offsets (Area 80)</a>                                 | Congress could consider giving IRS the authority to collect the information that the Social Security Administration (SSA) needs on government pension income to administer the Government Pension Offset and the Windfall Elimination Provision accurately and fairly. Implementing this action could save <b>\$2.4 billion to \$7.9 billion over 10 years</b> , if enforced both retrospectively and prospectively, based on estimates from the Congressional Budget Office and the SSA. The estimated savings would be less if SSA only enforced the offsets prospectively as it would not reduce benefits already received.   |
|                               | 2014                 | <a href="#">Disability and Unemployment Benefits (Area 8)</a>                     | Congress should consider passing legislation to require the SSA to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period. Implementing this action could save <b>\$1.9 billion</b> between fiscal year 2016 and fiscal year 2025, according to the Congressional Budget Office.   |
|                               |                      | <a href="#">Federal Employees Compensation and Unemployment Benefits (Area 9)</a> | To help verify claimants' reported income and help ensure the proper payment of benefits, Congress should consider granting the Department of Labor the additional authority to access wage data.  |
|                               |                      | <a href="#">Veterans' and Survivors' Benefits (Area 23)</a>                       | <p>Congress should consider passing legislation that would establish a look-back and penalty period for claimants who transfer assets for less than fair market value prior to applying for pension benefits.</p> <p>This action is partially addressed. In the 113th Congress, the House of Representatives passed H.R. 2189, which contained language to establish a 3-year look-back and penalty period for the VA pension program. However, the bill was not ultimately enacted. As of March 1, 2017, there has been no legislative action taken in the current Congress. In January 2015, the Department of Veterans Affairs (VA) proposed regulations establishing a look-back and penalty period for the VA pension program. VA plans to promulgate final regulations in the summer of 2017. Implementing this action could result in savings of about <b>\$4 million annually</b>, according to the Congressional Budget Office.</p> |
| <b>Information technology</b> | 2013                 | <a href="#">Dissemination of Technical Research Reports (Area 10)</a>             | <p>Congress may wish to consider examining the appropriateness and viability of the fee-based model under which the National Technical Information Service (NTIS) currently operates for disseminating technical information to determine whether the use of this model should be continued.</p> <p>This action is partially addressed. Several bills were introduced during the 114th Congress, including H.R. 443, S.787, S.1636, that had the potential to address this action. However, these bills were not ultimately enacted. As of March 1, 2017, there has been no legislative action taken in the current Congress. Additionally, the Department of Commerce Appropriations Act, 2015 and 2016, limited instances where NTIS could charge customers fees for reports. This requirement continues in effect under the Continuing Appropriations Act, 2017.</p>  |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>               | <b>Annual report</b> | <b>Area</b>  | <b>Action summary</b>   |
|------------------------------|----------------------|--|---|
|                              |                      | <a href="#">Geospatial Investments (Area 11)</a>                     | <p>Congress should consider assessing the impact of the disclosure restrictions of Section 9 of Title 13 and Section 412 of Title 39 of the U.S. Code in moving toward a national geospatial address database. If warranted, Congress should consider revising those statutes to authorize the limited release of addresses, without any personally identifiable information, specifically for geospatial purposes. Such a change, if deemed appropriate, could potentially result in significant savings across federal, state, and local governments.</p> <p>Implementing the actions in this area could result in savings of <b>millions of dollars</b>.</p>   |
|                              | 2014                 | <a href="#">Interoperable Radio Communications Systems (Area 10)</a> | <p>Congress should consider requiring the Departments of Homeland Security (DHS), Justice (DOJ), and the Treasury (Treasury) to collaborate on the development and implementation of a joint radio communications solution that specifically requires the departments to establish an effective governance structure that includes a formal process for making decisions and resolving disputes, define and articulate a common outcome for this joint effort, and develop a joint strategy for improving radio communications.</p> <p>This action is partially addressed. Legislation has been enacted that is aimed at improving interoperable communications solely at DHS, but it does not require coordination across DHS, Treasury and DOJ as GAO suggested. Additionally, in the 114th Congress, the House of Representatives passed a bill (H.R. 2206) that would further address this action. However this bill was not ultimately enacted. As of March 1, 2017, there has been no legislative action taken in the current Congress.</p> |
| <b>International affairs</b> | 2011                 | <a href="#">Antidumping and Countervailing Duties (Area 81)</a>      | <p>Congress could eliminate the retrospective component of the U.S. antidumping and countervailing duty system and, instead, treat the antidumping and countervailing duties assessed at the time the product enters the country as final.</p>  |
|                              | 2012                 | <a href="#">Area 20: Overseas Administrative Services (Area 20)</a>  | <p>Congress may wish to consider requiring agencies to participate in International Cooperative Administrative Support Services (ICASS) unless they provide a business case to show that they can obtain these services outside of ICASS without increasing overall costs to the U.S. government or that their mission cannot be achieved within ICASS.</p>   |
|                              | 2013                 | <a href="#">Tobacco Taxes (Area 31)</a>                              | <p>Congress, as it continues oversight of the Children’s Health Insurance Program Reauthorization Act (CHIPRA), may wish to consider equalizing tax rates on roll-your-own and pipe tobacco.</p> <p>Congress, as it continues oversight of CHIPRA, may wish to consider, in consultation with the Department of the Treasury, options for reducing tax avoidance due to tax differentials between small and large cigars.</p>   |
|                              | 2016                 | <a href="#">Cargo Preference for Food Aid (Area 36)</a>              | <p>While recognizing that cargo preference serves policy goals established by Congress with respect to the U.S. merchant marine, including maintenance of a fleet capable of serving as a naval and military auxiliary in time of war or national emergency, Congress should consider clarifying cargo preference legislation regarding the definition of “geographic area” to ensure that agencies can fully utilize the flexibility Congress granted to them when it lowered the cargo preference for food aid requirement. Implementing this action could result in <b>millions of dollars</b> of savings, according to GAO analysis.</p>  |

**Appendix VI: Open Congressional Actions, by Mission**

| <b>Mission</b>                             | <b>Annual report</b> | <b>Area</b>  | <b>Action summary</b>  |
|--|----------------------|--|--|
| <b>Social services</b>                     | 2012                 | <a href="#">Housing Assistance (Area 28)</a>             | Congress may wish to consider requiring USDA and the Department of Housing and Urban Development (HUD) to examine the benefits and costs of merging those programs that serve similar markets and provide similar products. As a first step, Congress could consider requiring USDA and HUD to explore merging their single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected. |
| <b>Training, employment, and education</b> | 2016                 | <a href="#">Post-9/11 GI Bill Overpayments (Area 37)</a> | Congress should consider granting the Department of Veterans Affairs explicit authority to require a minimum level of training for appropriate school officials.   |

Source: GAO. | GAO-17-491SP

Notes: Unless otherwise indicated, actions in this table are not addressed, meaning that a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior Congressional session.

As of March F2017, nine actions are partially addressed. Partially addressed means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed. This table provides information on steps Congress took for actions that are considered partially addressed.

This table provides estimates of cost savings or increased revenue where such information was available.

## Appendix VII: Key Open Actions Identified in 2011 to 2017 Annual Reports, by Mission

This appendix presents key actions we identified in our 2011 to 2017 annual reports that remain open (i.e., partially addressed or not addressed).<sup>1</sup> Key actions warrant priority attention by Congress or executive branch agencies and, when implemented, usually result in improvements such as saving large amounts of money; aiding Congress to make decisions on major issues; substantially improving or transforming major government programs or agencies; or reducing unnecessary duplication, overlap, or fragmentation to increase the efficiency and effectiveness of government operations. Table 16 presents the key open actions from the 724 actions we have identified from 2011 to 2017.

**Table 16: Key Open Actions Identified in 2011 to 2017 Annual Reports, by Mission**

### Agriculture

| Annual report <sup>a</sup> | Area (area number) <sup>b</sup>   | Key open actions  |
|----------------------------|---|---|
| 2017                       | Federal Actions to Protect Pollinators and Improve Agricultural Production (Area 1) | Action 1: To improve the effectiveness of federal efforts to monitor wild, native bee populations, we recommend that the Secretary of Agriculture, as a cochair of the White House Pollinator Health Task Force, coordinate with other Task Force agencies that have monitoring responsibilities to develop a mechanism, such as a federal monitoring plan, that would (1) establish roles and responsibilities of lead and support agencies, (2) establish shared outcomes and goals, and (3) obtain input from relevant stakeholders, such as states. |
| 2015                       | EPA's and FDA's Laboratory Inspections (Area 1)                                     | Action 1: The Administrator of the Environmental Protection Agency (EPA) and the Commissioner of the Food and Drug Administration should develop a formal written agreement, such as a memorandum of understanding, that outlines how the two agencies plan to regularly collaborate and share information on Good Laboratory Practices inspections and avoid duplication of inspections so that EPA can more efficiently use its limited resources.  |

<sup>1</sup>See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2016 annual reports: <http://www.gao.gov/duplication/overview>.

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>             | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2013                             | Catfish Inspection (Area 1)                       | Action 1: Congress should consider repealing provisions of the 2008 Farm Bill assigning the U.S. Department of Agriculture (USDA) responsibility for examining and inspecting catfish and for creating a catfish inspection program. Implementing this action could save taxpayers <b>\$2.6 million annually</b> , according to a Food Safety and Inspection Service estimate.   |
| 2013                             | Agricultural Quarantine Inspection Fees (Area 18) | Action 4: The Secretaries of Agriculture and Homeland Security should ensure that all inspection fees are collected when due, including fees for agriculture overtime services that are eligible for reimbursement.  |
| 2013                             | Crop Insurance Premium Subsidies (Area 19)        | Action 1: Congress may wish to consider either limiting the amount of premium subsidies that an individual farmer can receive each year—as it limits the amount of payments to individual farmers in many farm programs—or reducing premium subsidy rates, or both limiting premium subsidies and reducing premium subsidy rates. Implementing this action could achieve up to <b>\$2 billion per year</b> in cost savings, according to a GAO estimate. |
| 2011                             | Food Safety (Area 1)                              | Action 5: Appropriate entities within the Executive Office of the President, in consultation with relevant federal agencies and other stakeholders, should develop a national strategy that states the purpose of the strategy, establishes high-level sustained leadership, identifies resource requirements, monitors progress, and identifies short- and long-term actions to improve the food safety oversight system.                               |

**Defense**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                                     | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2017                             | Army and Air Force Virtual Training (Area 2)                              | Action 1: The Army should specify in Army guidance for developing virtual training device requirements that training developers consider and document the time available to train with the devices and intended usage rates to achieve training tasks and proficiency goals during operational training. Implementing this action could save <b>tens of millions of dollars</b> .          |
| 2017                             | Construction Projects Supporting Military Contingency Operations (Area 3) | Action 1: The Secretary of Defense should evaluate and improve the use of existing processes and authorities to the extent possible; determine whether additional authorities are needed to support urgent construction needs; and revise existing departmental processes or seek additional authorities, as appropriate. Implementing this action could save <b>millions of dollars</b> . |
| 2017                             | Defense Weather Satellites (Area 4)                                       | Action 1: Establish formal mechanisms for coordination and collaboration between the Department of Defense (DOD) and the National Oceanic and Atmospheric Administration for future space-based environmental monitoring planning efforts.   |
| 2017                             | DOD Advertising (Area 5)  | Action 1: DOD should develop a formal process for coordination among its components on crosscutting advertising issues to facilitate better leveraging of resources.   |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>   | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2017                             | DOD Commissaries (Area 16)  | <p>Action 1: As DOD assesses potential cost savings under the Defense Resale Business Optimization Board or through other cost savings initiatives identified, we recommend that the Secretary of Defense, with assistance as necessary from the Director and Chief Executive Officer of the Defense Commissary Agency, the Director and Chief Executive Officer of the Army and Air Force Exchange Service, the Chief Executive Officer of the Navy Exchange Service Command, and the Marine Corps Exchange, develop a plan with assumptions, a methodology, cost estimates, and specific time frames for achieving alternative reductions to appropriations, to support DOD's efforts to ensure that DOD's cost savings target is feasible and accurate.</p> <p>Implementing this action could save <b>billions of dollars</b> from fiscal years 2017 through 2021, according to DOD estimates.</p> |
| 2017                             | DOD's Special and Incentive Pays (Area 17)  | <p>Action 1: DOD should review whether special and incentive (S&amp;I) pay programs have incorporated key principles of effective human capital management and used resources efficiently.</p> <p>Implementing all the actions in this area could save <b>tens of millions of dollars annually</b>.</p>   |
| 2017                             | Navy Shipbuilding (Area 18)   | <p>Action 1: To improve the use of warranties and guarantees in Navy shipbuilding, GAO recommended that the Secretary of the Defense direct the Secretary of the Navy to, in arrangements where the shipbuilder is paid to correct defects, structure contract terms such that shipbuilders do not earn profit for correcting construction deficiencies following delivery that are determined to be their responsibility.</p> <p>Implementing the actions in this area could save <b>millions of dollars</b>.</p>  |
| 2016                             | DOD Commercial Satellite Communication Procurements (Area 1)                      | <p>Action 1: The Secretary of Defense—in coordination with stakeholders including the Joint Chiefs of Staff, U.S. Strategic Command, combatant commands, the military services, and the Defense Information Systems Agency (DISA)—should enforce current policy requiring DISA to acquire all commercial satellite communications for DOD.</p> <p>Implementing the two actions in this area could save <b>tens of millions of dollars annually</b>, according to GAO analysis.</p>  |
| 2016                             | DOD's Storage of Occupational and Environmental Health Surveillance Data (Area 2) | <p>Action 2: The Secretary of Defense should require all other departmental and military service-specific policies to be amended and implemented to ensure consistency.</p>   |
| 2016                             | Weapon System Portfolio Management (Area 3)                                       | <p>Action 1: DOD should designate the Deputy Secretary of Defense, or some appropriate delegate, as responsible for providing sustained leadership for portfolio management efforts and implementing DOD Directive 7045.20 on Capability Portfolio Management.</p>  |
| 2016                             | Defense Excess Property Disposal (Area 13)  | <p>Action 1: The Secretary of Defense should direct the Director of the Defense Logistics Agency to further reassess DOD's disposal process to determine whether additional changes are needed in the priority given to recipients within the process, including potential changes to the categories and quantities of property that special programs may obtain, and revise its guidance reflecting those priorities accordingly to better enable DOD to fulfill the disposal program's objectives.</p> <p>Implementing this action could result in cost savings of <b>millions of dollars</b>, according to GAO analysis.</p>   |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>  | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2016                             | DOD's Eligibility Determinations for Living Quarters Allowance (Area 14)       | Action 1: The Secretary of Defense should require the Deputy Assistant Secretary of Defense for Civilian Personnel Policy or the Defense Civilian Personnel Advisory Service (DCPAS), as delegated, to monitor reviews of living quarters allowance (LQA) eligibility determinations conducted by DOD components.  |
| 2016                             | DOD Excess Ammunition (Area 15)  | Action 1: The Secretary of Defense should direct the Secretary of the Army to develop a systematic means to make information available to other government agencies on excess conventional ammunition to include small arms ammunition that could be used to meet their needs.<br><br>Implementing this action could result in savings of <b>hundreds of thousands of dollars</b> .  |
| 2016                             | DOD Leases and Use of Underutilized Spaces at Military Installations (Area 16) | Action 1: DOD should look for opportunities to relocate DOD organizations in leased space to installations that may have underutilized space because of force structure reductions or other indicators of potentially available space, where such relocation is cost-effective and does not interfere with the installation's ongoing military mission.<br><br>Implementing this action could save <b>millions of dollars annually</b> .   |
| 2015                             | Ground Radar and Guided Munitions Programs (Area 2)                            | Action 1: To provide the Joint Requirements Oversight Council (JROC) the opportunity to review all ground radar programs for potential duplication and the Office of Cost Assessment and Program Evaluation with the opportunity to develop broad analysis of alternative guidance, the Vice Chairman of the Joint Chiefs of Staff should direct the Joint Staff to assign all new ground radar capability requirement documents with a Joint Staff designation of "JROC Interest."  |
| 2015                             | Weapon System Milestone Decision Process (Area 3)                              | Action 1: The Secretary of Defense should direct the Under Secretary of Defense for Acquisition, Technology and Logistics in collaboration with the military service acquisition executives, program executive officers, and program managers to identify and potentially eliminate reviews associated with information requirements that do not add value, with a specific focus on reducing levels of review.  |
| 2015                             | DOD Headquarters Reductions and Workforce Requirements (Area 14)               | Action 4: To ensure that Office of the Secretary of Defense, the Joint Staff, and the military secretariats and staff are properly sized to meet their assigned missions and use the most cost-effective mix of personnel, and to better position DOD to identify opportunities for more efficient use of resources, the Secretary of Defense should conduct a systematic determination of workforce requirements for these organizations, which should include an analysis of mission, functions, and tasks, and the minimum personnel needed to accomplish those missions, functions, and tasks.   |
| 2014                             | Contracting for Defense Health Care Professionals (Area 2)                     | Action 1: The Secretary of Defense should develop and implement a DOD-wide strategy to contract for health care professionals. The strategy should identify specific responsible organizations and time frames, and should consist of both near-term and long-term components. In the near term, and to enable DOD to assess the efficacy and impact of such a strategy, DOD should identify a category of health care professionals or a multiservice market to pilot an approach to consolidating health care staffing requirements. Over the longer term, such a strategy should include an analysis of spending based on reliable and detailed agency-wide data, and should enable DOD to identify opportunities to consolidate requirements and reduce costs. |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                                       | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2014                             | Defense Satellite Control Operations (Area 3)                               | <p>Action 2: The Secretary of Defense should develop a department-wide long-term plan for modernizing DOD's Air Force Satellite Control Network and any future shared satellite control services and capabilities. This plan should identify methods that can capture or estimate satellite control costs as well as authorities that can be given to the program managers to give them the flexibility needed to ensure ground systems are built to a common network when the business case analysis shows doing so to be beneficial. This plan should also identify which trusted practices from the commercial sector, if any, can improve DOD satellite control operations in the near and long terms and, as appropriate, develop a plan of action for implementing them.</p> <p>Addressing the actions in this area could result in saving <b>millions of dollars annually</b>.</p>   |
| 2014                             | Defense Studies and Analysis Research (Area 4)                              | <p>Action 1: The Secretary of Defense should establish and implement a departmental mechanism that requires leadership from the military services and departmental offices responsible for managing requests for studies and analysis research to coordinate their annual research requests and ongoing research efforts.</p>   |
| 2014                             | POW/MIA Mission (Area 5)  | <p>Action 2: The Secretary of Defense should direct the Office of the Under Secretary of Defense (Policy) to revise DOD Directive 2310.07E and finalize and issue the new, related DOD instruction to supplement this directive. Clarification of roles and responsibilities should be made particularly with respect to the following four functions: equipment and artifact identification and analysis; research and analysis; investigations; and family outreach and external communications.</p>  |
| 2014                             | Combatant Command Headquarters Costs (Area 12)                              | <p>Action 1: The Secretary of Defense should conduct a comprehensive, periodic evaluation of whether the combatant commands are sized and structured to efficiently meet assigned missions.</p>   |
| 2013                             | Joint Basing (Area 20)  | <p>Action 1: The Secretary of Defense should direct the Assistant Secretary of Defense for Energy, Installations, and Environment to develop and implement a plan that provides measurable goals linked to achieving savings and efficiencies at the joint bases and provide guidance to the joint bases that directs them to identify opportunities for cost savings and efficiencies. DOD should at a minimum consider the items identified in its recommendation to the 2005 Base Realignment and Closure Commission as areas for possible savings and efficiencies, including paring unnecessary management personnel, consolidating and optimizing contract requirements, establishing a single space-management authority to achieve greater utilization of facilities, and reducing the number of base support vehicles and equipment.</p> <p>Implementing this action could result in <b>millions of dollars</b> in savings over 20 years, based on an estimate in the commission recommendation.</p> |
| 2012                             | Unmanned Aircraft Systems (Area 3)  | <p>Action 1: To reduce the likelihood of overlap and potential duplication in its unmanned aircraft system (UAS) portfolio, DOD should reevaluate whether a single entity would be better positioned to integrate all crosscutting efforts to improve the management and operation of UAS.</p>  |
| 2012                             | Stabilization, Reconstruction, and Humanitarian Assistance Efforts (Area 6) | <p>Action 3: Congress should consider amending the legislation that supports the Overseas Humanitarian, Disaster, and Civic Aid-funded humanitarian assistance program—DOD's largest humanitarian assistance program—to more specifically define DOD's role in humanitarian assistance, taking into account the roles and similar types of efforts performed by the civilian agencies.</p>  |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                   | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2012                             | Defense Headquarters (Area 34)                          | <p>Action 2: To facilitate reliable reporting on headquarters staffing and improve information available for decision making, DOD should specify how contractors performing headquarters functions will be identified and included in headquarters reporting.</p> <p>Efforts to implement the actions in this area have resulted in <b>\$609 million</b> in savings in fiscal year 2016, according to GAO estimates, and fully implementing the actions in this area could result in an additional <b>\$9.4 billion</b> in savings.</p>  |
| 2012                             | Military Health Care Costs (Area 36)                    | <p>Action 1: To enhance its efforts to manage rising health care costs and demonstrate sustained leadership commitment for achieving the performance goals of the Military Health System's strategic initiatives, DOD should complete and fully implement the dashboards and detailed implementation plans for each of the approved health care initiatives in a manner consistent with results-oriented management practices, such as the inclusion of up-front investment costs and cost savings estimates.</p>  |
| 2011                             | Intelligence, Surveillance, and Reconnaissance (Area 5) | <p>Action 3: DOD should establish linkages between intelligence, surveillance, and reconnaissance acquisition plans and strategic goals to better inform investment decisions.</p> <p>Implementing the actions in this area has resulted in <b>millions of dollars</b> in savings over 5 to 10 years, according to DOD estimates.</p>  |
| 2011                             | Tactical Wheeled Vehicles (Area 6)                      | <p>Action 1: DOD needs to complete its planned department-wide tactical wheeled vehicle strategy to determine (1) what capabilities the Joint Light Tactical Vehicle will have, (2) the scope and cost of any recapitalization of other vehicles or production effort, and (3) the sustainment cost of placing the Mine Resistant Ambush Protected family of vehicles in its force structures. DOD should include in the strategy a cost-benefit analysis that could minimize the collective acquisition and support costs of the various tactical wheeled vehicle programs and reduce the risk of unplanned overlap or duplication.</p> <p>Implementing this action could result in <b>billions of dollars</b> in cost savings.</p> |
| 2011                             | Prepositioning Programs (Area 7)                        | <p>Action 3: The Secretary of Defense should direct the Office of the Under Secretary of Defense for Policy to develop strategic guidance that includes planning and resource priorities, linking the department's current and future needs for prepositioned stocks to evolving national defense objectives.</p>  |
| 2011                             | DOD's Business Systems (Area 8)                         | <p>Action 3: DOD should work to institutionalize its business systems investment process at all levels of the organization.</p>  |
| 2011                             | Overseas Military Presence (Area 36)                    | <p>Action 3: To address specific regional issues in Africa, DOD should reassess missions of the combined joint task force in Djibouti as well as identify the projected costs for the task force and, in concert with the Navy, develop a realistic funding plan for the task force's sustainability.</p> <p>Efforts to implement the actions in this area have led to savings of <b>\$2.282 billion</b> between 2013 and 2017, according to DOD estimates.</p>  |
| 2011                             | Military Personnel Costs (Area 37)                      | <p>Action 1: DOD could recognize long-term cost avoidance by addressing in a compensation strategy what types of compensation are effective, and by not incurring costs for compensation that may not be effective, in helping the department achieve its recruiting and retention goals.</p>  |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>         | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2011                             | Weapon Systems Acquisition Programs (Area 38) | Action 1: DOD could achieve significant cost savings by employing best management practices at all phases of its weapon system acquisition process—including early systems engineering, analyzing alternatives, managing changes in system requirements, and more prototyping early in program development testing.<br><br>Implementing the actions in this area could save <b>tens of billions of dollars</b> . |

**Economic development**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>               | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2016                             | Manufacturing Loan Guarantees (Area 4)              | Action 1: The Secretary of Commerce should direct the Economic Development Administration to work with the Small Business Administration (SBA) and the National Institute of Standards and Technology to further identify any gaps in capital access that may be present that the program could fill, and then develop marketing materials and conduct outreach to help target those gaps.   |
| 2016                             | Treasury's Foreclosure Prevention Efforts (Area 17) | Action 3: The Secretary of the Treasury should deobligate funds that the Department of the Treasury's (Treasury) review shows will likely not be expended and move up to \$2 billion of such funds to the Troubled Asset Relief Program-funded Housing Finance Agency Innovation Fund for the Hardest Hit Markets, as authorized by the Consolidated Appropriations Act, 2016.<br><br>Implementing the actions in this area could result in a onetime savings of <b>\$2.7 billion</b> in fiscal year 2018, based on Treasury's 2017 budget submission. |
| 2012                             | Support For Entrepreneurs (Area 7)                  | Action 2: Agencies should improve program evaluation and performance metrics. In order to identify options to better structure these programs for Congress to consider, the SBA and the Departments of Commerce (Commerce), Housing and Urban Development (HUD), and Agriculture (USDA) should conduct program evaluations and collect data on performance measures.   |
| 2012                             | Surface Freight Transportation (Area 8)             | Action 2: To maximize the efficient movement of freight, the Secretary of Transportation should develop with Congress and public and private stakeholders a comprehensive national strategy to transform the federal government's involvement in freight transportation projects, including defining federal and nonfederal stakeholder roles and using new or existing federal funding sources and mechanisms to support a targeted, efficient, and sustainable federal role.   |
| 2011                             | Economic Development Programs (Area 9)              | Action 2: Commerce, HUD, USDA, and SBA need to collect accurate and complete data on program outcomes and use the information to assess each program's effectiveness.  |
| 2011                             | Essential Air Service (Area 42)                     | Action 2: Congress may wish to consider revising the program's operating requirements for providing air service to communities to improve efficiency and to better match capacity with community use.  |
| 2011                             | Universal Service Fund (Area 43)                    | Action 2: The Federal Communications Commission (FCC) needs to improve its management of the Universal Service Fund programs to address a number of GAO recommendations.   |

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Energy

| Annual report <sup>a</sup> | Area (area number) <sup>b</sup>                                   | Key open actions  |
|----------------------------|---|---|
| 2017                       | Storage of Defense and Commercial Nuclear Waste (Area 19)         | <p>Action 1: The Department of Energy (DOE) should conduct a comprehensive assessment of the benefits, costs, and schedules of the options it reviewed and provided to the President in 2015, in accordance with Office of Management and Budget (OMB) guidance and best practices and, in light of the new information and results from the assessment, revise—if needed—the department's conclusion that a separate defense high-level waste repository is required.</p> <p>Implementing this action could result in up to tens of billions of dollars in savings over the life of the project, according to GAO analysis.</p>  |
| 2015                       | U.S. Enrichment Corporation Fund (Area 16)                        | <p>Action 1: Congress may wish to permanently rescind the entire \$1.6 billion balance of the U.S. Enrichment Corporation Fund.</p> <p>Rescission may increase the transparency of federal agencies' budget presentations and help Congress have a clear understanding of how new funding requests relate to funding decisions for existing projects with continuing resource needs.</p>  |
| 2014                       | Advanced Technology Vehicles Manufacturing Loan Program (Area 13) | <p>Action 1: Unless the Department of Energy (DOE) can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining \$4.2 billion in credit subsidy appropriations.</p> <p>Implementing this action could result in savings of \$4.2 billion, according to a GAO estimate.</p>  |
| 2012                       | Nuclear Nonproliferation (Area 10)                                | <p>Action 1: To streamline and eliminate potential fragmentation and overlap among programs combating smuggling of nuclear materials, equipment, and technologies overseas, the Assistant to the President for National Security Affairs should undertake—or direct and delegate an appropriate agency or agencies to undertake—a comprehensive review of the structure, scope, and composition of agencies and programs across the federal government involved in such efforts. Such a review should assess several issues, including: (1) the level of overlap and duplication among agencies and programs, especially in the provision of nuclear detection equipment and training provided to foreign border security, customs, and law-enforcement officials; (2) potential for consolidation of these functions to fewer programs and agencies; (3) the feasibility, costs, and benefits of establishing a special coordinator to preside over the allocation of U.S. counter-nuclear-smuggling assistance to foreign nations and be responsible for directing the interagency process of development, funding, and implementation of all U.S. government programs related to combating nuclear smuggling overseas; and (4) any U.S. laws that would need to be amended by Congress in order to facilitate consolidation, elimination, or other changes to existing programs.</p> |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b> | <b>Key open actions</b>   |
|----------------------------------|---------------------------------------|---|
| 2012                             | Excess Uranium Inventories (Area 40)  | <p>Action 2: If Congress sees merit in using the proceeds from the barter, transfer, or sale of federal uranium assets to pay for environmental cleanup of uranium enrichment plants, it could consider providing DOE with explicit authority to barter excess uranium and to retain the proceeds from all three types of uranium transactions (barter, transfer, and sale). Likewise, Congress could direct DOE to sell uranium for cash and make those proceeds available by appropriation for decontamination and decommissioning expenses at DOE's uranium enrichment plants.</p> <p>Implementing both actions in this area could result in an increased revenue of \$1 billion, according to a GAO estimate.</p> |
| 2011                             | Federal Fleet Energy Goals (Area 12)  | <p>Action 1: Changes in existing laws could streamline the requirements and provide fleet managers with more flexibility in meeting goals.</p>  |
| 2011                             | Oil and Gas Resources (Area 45)       | <p>Action 3: The Department of the Interior (Interior) should complete its study examining how other oil and gas resource owners select fiscal parameters for leasing and adjusting oil and gas royalty rates and use that information to adjust, as appropriate, its royalty rates to a level that ensures the government a fair return. In doing so, it should ensure opportunities for substantive, two-way communication with program stakeholders.</p> <p>Implementing the actions in this area could result in approximately \$1.7 billion in revenues over 10 years, according to an Interior estimate.</p>  |

**General government**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>              | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2017                             | Federal Critical Raw Materials Activities (Area 6) | <p>Action 1: The Director of the Office of Science and Technology Policy, working with the National Science and Technology Council's Subcommittee on Critical and Strategic Mineral Supply Chains and agency leadership, as appropriate, should agree on and clearly define the roles and responsibilities of member agencies and take steps to actively engage all relevant federal agencies in the subcommittee's efforts.</p>   |
| 2017                             | Federal Grant Awards (Area 7)                      | <p>Action 3: To reduce the risk of duplicative and overlapping funding at the grant award level, the Secretary of Health and Human Services should direct the Centers for Disease Control and Prevention (CDC) to issue written guidance that ensures its grant-management staff review grant applications for potential duplication and overlap before awarding CDC competitive grants and cooperative agreements.</p>  |
| 2017                             | Federal Hiring (Area 8)                            | <p>Action 2: Based on studies or assessments of specific hiring authorities or processes, the Director of the Office of Personnel Management (OPM) should determine whether opportunities exist to refine, consolidate, eliminate, or expand agency-specific authorities to other agencies and implement changes where OPM is authorized, including seeking presidential authorization (as necessary) in order to do so. In cases where legislation would be necessary to implement changes, OPM should work with the Chief Human Capital Officers Council to develop legislative proposals.</p> |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                                  | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2017                             | Grants for Transit Resilience (Area 9)                                 | Action 1: The Department of Transportation should examine the projects the Federal Transit Administration (FTA) funded under its discretionary transit resilience grant program for potential duplication with other resilience efforts and determine whether it is appropriate to realign unobligated funds for FTA-supported projects for other authorized purposes or to request that Congress rescind unobligated funds from the FTA-supported projects.   |
| 2017                             | Recovery Operations Center Closure (Area 10)                           | Action 1: To help preserve a proven resource supporting the oversight community's analytic capabilities, Congress may wish to consider directing the Council of the Inspectors General for Integrity and Efficiency (CIGIE) to develop a legislative proposal to reconstitute the essential capabilities of the Recovery Operations Center to help ensure federal spending accountability. The proposal should identify a range of options at varying scales for the cost of analytic tools, personnel, and necessary funding, as well as any additional authority CIGIE may need to ensure such enduring, robust analytical and investigative capability for the oversight community. |
| 2017                             | Use of the Do Not Pay Working System (Area 11)                         | Action 1: The Director of the Office of Management and Budget (OMB) should develop a strategy—and communicate its strategy through guidance—for how agencies should use the Do Not Pay working system to complement existing data-matching processes and whether and how agencies should consider using the system to streamline existing data matching.   |
| 2017                             | Department of Veterans Affairs Medical Facility Construction (Area 20) | Action 1: The Secretary of Veterans Affairs should establish a mechanism to monitor the extent that major facilities projects are following guidelines on change-orders' time frames and design changes.   |
| 2017                             | Government Purchase Cards (Area 21)                                    | Action 3: The Secretaries of Defense, Veterans Affairs, the Interior, Homeland Security, and Energy and the Administrator of the Environmental Protection Agency (EPA) should develop guidance that encourages local officials to examine purchase card spending patterns to identify opportunities to obtain savings and to share information on such efforts. Where applicable, these agencies should determine the feasibility of broader application of these efforts across the agency or organization.   |
| 2017                             | Inland Waterways Fuel Tax (Area 22)                                    | Action 1: To maximize resources for the Inland Waterways Trust Fund, the Commissioner of the Internal Revenue Service (IRS) should consult with the U.S. Army Corps of Engineers to explore options to obtain proprietary data to enhance IRS's efforts to ensure taxpayer compliance with the inland waterways fuel tax.  |
| 2017                             | Land Mobile Radio Procurement (Area 23)                                | Action 1: To improve federal agency land mobile radio (LMR) procurement practices, the Director of OMB should direct the Office of Federal Procurement Policy to examine the feasibility of including LMR technology in the category management initiative.  |
| 2017                             | Refundable Tax Credits (Area 24)                                       | Action 1: Building on current efforts, the IRS should develop a comprehensive operational strategy that includes all the refundable tax credits for which the Office of Refundable Credits Policy and Program Management is responsible. The strategy could include use of error rates and amounts, evaluation and guidance on the proper use of indicators like no-change and default rates, and guidance on how to weigh trade-offs between equity and return on investment in resource allocations.<br><br>Implementing the actions in this area could result in <b>hundreds of millions of dollars</b> in cost savings.  |
| 2016                             | Financial Regulatory Structure (Area 5)                                | Action 1: Congress should consider whether additional changes to the financial regulatory structure are needed to improve (1) the efficiency and effectiveness of oversight; (2) the consistency of consumer and investor protections; and (3) the consistency of financial oversight for similar institutions, products, risks, and services.   |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                         | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2016                             | IRS's Public Referral Programs (Area 6)                       | Action 2: The Commissioner of Internal Revenue should direct the referral programs to establish a mechanism to coordinate on a plan and timeline for developing a consolidated, online referral submission in order to better position the IRS to leverage specialized expertise while exploring options to further consolidate the initial screening operations.  |
| 2016                             | Bridge Contracts (Area 18)                                    | Action 1: The Administrator of the Office of Federal Procurement Policy should take appropriate steps to develop a standard definition for bridge contracts and incorporate it as appropriate into relevant Federal Acquisition Regulation sections.   |
| 2016                             | Federal Supply Schedules (Area 19)                            | Action 1: The Secretaries of Defense and Health and Human Services and the Administrator of the General Services Administration (GSA) should issue guidance emphasizing the requirement to seek discounts and outlining effective strategies for negotiating discounts when using the Federal Supply Schedules program.  |
| 2016                             | Federally Leased Vehicles (Area 20)                           | Action 2: The Secretaries of the Interior and Veterans Affairs should take corrective action to address each leased vehicle that has not met the agencies' utilization criteria or passed the justification process. This corrective action could include eliminating unneeded vehicles, which would reduce costs.   |
| 2016                             | Financing of Improvements to Federally Leased Space (Area 21) | Action 1: The Administrator of GSA should explore, with relevant stakeholders, the possibility of loaning unobligated Federal Buildings Fund balances to agencies to cover tenant improvement costs that would otherwise have to be financed for new leases. If GSA finds that, with sufficient controls in place, tenant improvements can be safely funded this way, it should participate in the development of a legislative proposal to request that Congress make the necessary budget authority available.<br><br>Implementing this action could result in savings of <b>millions of dollars</b> , according to GAO analysis.                          |
| 2016                             | Identity Theft Refund Fraud (Area 22)                         | Action 3: IRS should estimate and document the costs, benefits, and risks of possible options for taxpayer authentication, in accordance with OMB and National Institute of Standards and Technology guidance.<br><br>Implementing the actions in this area could result in savings of <b>billions of dollars</b> , according to IRS and GAO analyses.   |
| 2016                             | National Park Service Fees (Area 23)                          | Action 2: The Secretary of the Interior should direct the Director of the Park Service to revise the National Park Service's guidance on recreation fees so that the agency periodically reviews its entrance fees to determine whether the fees are reasonable.   |
| 2015                             | Consumer Product Safety Oversight (Area 4)                    | Action 2: Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. Different types of formal mechanisms could include, for example, creating a memorandum of understanding to formalize relationships and agreements or establishing a task force or interagency work group. As a starting point, Congress may wish to obtain agency input on options for establishing more formal coordination. |
| 2015                             | Nonemergency Medical Transportation (Area 5)                  | Action 1: The Secretary of Transportation, as chair of the Coordinating Council, should convene a meeting of the member agencies of the Coordinating Council to complete and publish a new or updated strategic plan that, among other things, clearly outlines a strategy for addressing nonemergency medical transportation (NEMT) and how it can be coordinated across federal agencies that fund NEMT service.   |
| 2015                             | Tax Policies and Enforcement (2015) (Area 17)                 | Action 2: Congress should consider expanding the mandate that partnerships and S corporations electronically file their tax returns, in order to cover a greater share of filed returns.   |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>   | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2014                             | Collection of Unpaid Federal Taxes (Area 15)  | Action 2: The Commissioner of IRS should explore further opportunities to enhance the collection of unpaid federal taxes from Medicaid providers. This action includes conducting a cost-benefit analysis of the implementation of a continuous levy program and expanded use of levies against providers with large Medicaid payments and significant unpaid federal taxes. Where appropriate, IRS should seek legislation to modify existing law to allow for more efficient collection of outstanding tax debts from Medicaid providers.  |
| 2014                             | Federal Real Property Ownership and Leasing (Area 16)   | Action 3: The Administrator of GSA should develop and use criteria to rank and prioritize potential long-term ownership solutions to current high-value leases among other capital investments. GSA should use this ranking to create a long-term, cross-agency strategy that facilitates consideration of targeted investments in ownership.<br><br>Implementing the actions in this area could result in <b>millions of dollars</b> in savings, according to a GAO cost savings report.  |
| 2014                             | Online Taxpayer Services (Area 17)  | Action 1: The Commissioner of IRS should direct appropriate officials to develop a long-term strategy to improve web services provided to taxpayers, in accordance with Howto.gov and other federal guidance outlined in GAO's April 2013 report. To accomplish this action, the IRS should develop business cases for all new online services, describing the potential benefits and costs of the project, and use them to prioritize future projects.<br><br>Implementing the actions in this area could result in <b>\$100 million</b> in savings, according to GAO analysis.   |
| 2014                             | Reverse Auctions (Area 19)  | Action 1: The Director of OMB should take steps to amend the Federal Acquisition Regulation (FAR) to address agencies' use of reverse auctions.  |
| 2014                             | Tax Policies and Enforcement (2014) (Area 20)   | Action 6: The Commissioner of IRS should track savings from the Compliance Assurance Process overall and develop a plan for reinvesting any savings.   |
| 2013                             | Additional Opportunities to Improve Internal Revenue Service Enforcement of Tax Laws (2013) (Area 22) | Action 1: The Commissioner of IRS should determine whether IRS has a basis for adjusting its allocation of enforcement resources each year.  |
| 2013                             | Agencies' Use of Strategic Sourcing (Area 23)   | Action 1: The Secretary of Defense should evaluate the need for additional strategic sourcing guidance, resources, and strategies, and focus on DOD's highest-spending categories.   |
| 2012                             | Personnel Background Investigations (Area 11)   | Action 1: To prevent agencies from making potentially duplicative investments in electronic case management and adjudication systems, the OMB Deputy Director for Management, in his capacity as Chair of the Performance Accountability Council, should develop additional guidance to help ensure that reform stakeholders identify opportunities for preventing duplication in the development of electronic case management and adjudication technologies in the suitability determination and personnel security clearance processes.   |
| 2012                             | Spectrum Management (Area 13)   | Action 1: To improve transparency in national spectrum policy decisions, assure coordination between managers of government and privately licensed spectrum, and help ensure that spectrum is used for its highest and best purpose, the Assistant Secretary for Communications and Information at the National Telecommunications and Information Administration and the Chairman of the FCC should report periodically to Congress on their joint spectrum planning activities and their consultation with other relevant government agencies. The report should include information on estimated future spectrum requirements for public and private uses, the spectrum allocation actions necessary to accommodate those uses, and any actions taken to promote the efficient use of spectrum. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                         | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2012                             | Federal User Fees (Area 43)                                   | Action 1: To help the Congress and federal agencies identify opportunities to address inconsistent federal funding approaches and enhance user financing, thereby reducing reliance on general fund appropriations, the Director of OMB should use its budget reviews to ensure that agencies review their fee-funded programs biennially, as required by the Chief Financial Officers Act and consistently with GAO's User Fee Design Guide, to help identify opportunities to improve the (1) efficiency, equity, revenue adequacy, and administrative burden of the fee design and (2) alignment of fee collections with program costs over time. |
| 2012                             | Internal Revenue Service Enforcement Efforts (2012) (Area 44) | Action 1: To help improve taxpayer compliance, Congress may wish to make owners of rental real estate subject to the same payment reporting requirements regardless of whether they engaged in a trade or business under current law.<br><br>Implementing this action could result in savings of <b>\$2.5 billion</b> between fiscal years 2011 and 2020, according to the Joint Committee on Taxation.  |
| 2011                             | Enterprise Architectures (Area 14)                            | Action 1: Agencies should measure and report enterprise architecture results and outcomes (e.g., costs avoided through eliminating duplicative information-technology investments).  |
| 2011                             | Federal Data Centers (Area 15)                                | Action 2: OMB should work with agencies to establish goals and targets for consolidation (both in terms of cost savings and reduced data centers), maintain strong oversight of the agencies' efforts, and look for consolidation opportunities across agencies.<br><br>Efforts to implement the actions in this area have resulted in \$2.95 billion in savings between 2011 and 2015, according to agency reporting.   |
| 2011                             | Tax Expenditures (Area 17)                                    | Action 2: The Director of OMB in consultation with the Secretary of the Treasury should develop and implement a framework for conducting performance reviews of tax expenditures. This action includes (1) outlining leadership responsibilities and coordination among agencies with related responsibilities; (2) setting a review schedule; (3) identifying review methods and ways to address the lack of credible tax expenditure performance information; and (4) identifying resources needed for tax expenditure reviews.<br><br>Implementing the actions in this area could reduce revenue losses by <b>billions of dollars</b> .           |
| 2011                             | Government-wide Improper Payments (Area 46)                   | Action 1: Until the federal government has implemented effective processes to determine the full extent to which improper payments occur and to reasonably ensure that appropriate actions are taken across entities and programs to effectively recover and reduce improper payments, the federal government will not have reasonable assurance that the use of taxpayer funds is adequately safeguarded.   |
| 2011                             | Competition for Federal Contracts (Area 47)                   | Action 2: Program and contracting officials need to actively promote competition.<br><br>Implementing this action could save <b>billions of dollars</b> .  |
| 2011                             | Tax Debt Collection (Area 55)                                 | Action 2: IRS needs to better document the business rules and their rationales, and periodically evaluate how well they are working.   |
| 2011                             | Simple Tax Return Errors (Area 56)                            | Action 1: Congress may want to consider granting IRS broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing.<br><br>Implementing this action could result in cost savings of <b>\$274 million</b> between fiscal years 2018 and 2026, according to the Joint Committee on Taxation.  |
| 2011                             | Mortgage Interest Information (Area 57)                       | Action 2: IRS should require mortgage-secured property addresses to be reported on other forms (Forms 982 and 1099-C) to help IRS detect taxpayers who fail to pay taxes on certain forgiven mortgage debts.   |

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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>       | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2011                             | Forgiven Mortgage Debt (Area 58)            | Action 1: IRS could determine how refocusing mortgage debt enforcement efforts could gain additional revenue by taking some relatively low-cost steps, including revising the associated forms; collecting more information from taxpayers and lenders; and using third-party data to determine whether taxpayers are correctly excluding forgiven mortgage debt from taxable income.   |
| 2011                             | Real Estate Tax Deductions (Area 59)        | Action 1: To improve IRS's examinations of the real estate tax deduction, examination guidance needs to clarify the type of evidence for verifying deductibility and to require examiners to ask taxpayers to substantiate deductions that appear to include nondeductible charges that are large, unusual, or questionable.<br><br>Implementing this action could result in savings of <b>tens of millions or hundreds of millions of dollars annually</b> .   |
| 2011                             | Sole Proprietors (Area 61)                  | Action 2: IRS should use its ongoing research efforts to develop a better understanding of the nature of sole proprietor noncompliance, including sole proprietors improperly claiming business losses.   |
| 2011                             | Businesses Not Filing Tax Returns (Area 62) | Action 1: IRS should develop at least a partial estimate for the business nonfiler rate based on its existing inventory of cases.   |
| 2011                             | S Corporations (Area 63)                    | Action 1: Congress could require S corporations to use information already available to them to calculate shareholders' basis as completely as possible and report it to shareholders and IRS.  |
| 2011                             | Networks of Businesses (Area 64)            | Action 1: The IRS should create an agency-wide strategy with goals to coordinate and plan its enforcement efforts on network tax evasion. The strategy should include (1) assessing the effectiveness of network analysis tools to ensure that resources are being devoted to those that provide the largest return on investment; (2) determining whether to increase access to IRS data or collect new data for network analysis; (3) developing network analysis tools on a specific time schedule; and (4) deciding how to manage network efforts across IRS. |
| 2011                             | Research Tax Credit (Area 65)               | Action 1: Congress could eliminate the regular credit and add a minimum base amount (equal to 50 percent of a taxpayer's current spending) to the method for computing the alternative simplified credit.   |
| 2011                             | New Markets Tax Credit (Area 66)            | Action 2: The Secretary of the Treasury should issue guidance on how funding or assistance from other government programs can be combined with the New Markets Tax Credit (NMTC), including the extent to which other government funds can be used to leverage the NMTC by being included in the qualified equity investment.   |
| 2011                             | Governmental Bonds (Area 67)                | Action 1: Congress should consider whether facilities, including hotels and golf courses, that are privately used should be financed with tax-exempt governmental bonds.<br><br>Implementing this action could generate <b>hundreds of millions of dollars</b> in additional revenue.   |

Health

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b> | <b>Key open actions</b> |
|----------------------------------|---------------------------------------|-------------------------|
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**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                           | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2017                             | Federal Payments for Hospital Uncompensated Care (Area 25)      | <p>Action 1: To ensure efficient use of federal resources, GAO recommends that the Administrator of CMS improve alignment of Medicare Uncompensated Care payments with hospital uncompensated care costs by basing these payments on hospital uncompensated care costs.</p> <p>Implementing both actions in this area could save <b>over a billion dollars annually</b>, according to GAO estimates.</p>  |
| 2017                             | Medicaid Personal Care Services (Area 26)                       | <p>Action 1: To improve the collection of complete and consistent personal care services data and better ensure CMS can effectively monitor the services, we recommend that CMS establish standard reporting guidance for personal care service claims to ensure that key data reported by states, such as provider identification numbers and the type, quantity, and dates of services, are complete and consistent.</p> <p>Implementing the actions in this area could result in <b>tens of millions of dollars</b> in savings, according to GAO analysis.</p>   |
| 2017                             | Medicare Advantage Improper Payments (Area 27)                  | <p>Action 3: The Administrator should enhance the timeliness of the Centers for Medicare &amp; Medicaid Services' (CMS) contract-level risk adjustment data validation (RADV) process by taking actions such as the following:</p> <ul style="list-style-type: none"> <li>• closely aligning the time frames in CMS's contract-level RADV audits with those of the national RADV audits the agency uses to estimate the Medicare Advantage (MA) improper payment rate;</li> <li>• reducing the time between notifying MA organizations of contract audit selection and notifying them about the beneficiaries and diagnoses that will be audited;</li> <li>• improving the reliability and performance of the agency's process for transferring medical records from MA organizations, including assessing the feasibility of updating Electronic Submission of Medical Documentation for use in transferring medical records in contract-level RADV audits; and</li> <li>• requiring that CMS contract-level RADV auditors complete their medical record reviews within a specific number of days comparable to other medical record review time frames in the Medicare program.</li> </ul> <p>Implementing the actions in this area could result in <b>hundreds of millions of dollars</b> in savings, according to a CMS estimate.</p> |
| 2017                             | Patient Protection and Affordable Care Act Enrollment (Area 28) | <p>Action 7: To better oversee the efficacy of Patient Protection and Affordable Care Act enrollment control process; to better monitor costs, risk, and program performance; to assist with tax compliance; to strengthen the eligibility determination process; to provide applicants with improved customer service and up-to-date information about submission of eligibility documentation; and to better document agency activities, the Secretary of Health and Human Services should direct the Acting Administrator of CMS to conduct a fraud risk assessment, consistent with best practices provided in GAO's framework for managing fraud risks in federal programs, of the potential for fraud in the process of applying for qualified health plans through the federal Marketplace.</p>  |
| 2016                             | Distribution of Medicaid Supplemental Payments (Area 25)        | <p>Action 1: The Administrator of CMS should issue written guidance clarifying its policy that requires a link between the distribution of supplemental payments and the provision of Medicaid-covered services.</p> <p>Implementing both actions in this area could result in <b>hundreds of millions of dollars</b> in savings, according to GAO analysis.</p>  |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                  | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2016                             | Medicaid Demonstration Approved Spending (Area 27)     | Action 1: The Secretary of Health and Human Services should issue criteria for assessing whether section 1115 expenditure authorities are likely to promote Medicaid objectives.   |
| 2016                             | Medicaid Eligibility Determinations (Area 28)          | Action 1: The Administrator of CMS should conduct reviews of federal Medicaid eligibility determinations to ascertain the accuracy of these determinations and institute corrective action plans where necessary.  |
| 2016                             | Medicaid Payments to Institutional Providers (Area 29) | Action 2: The Administrator of CMS should develop a policy establishing criteria to determine when provider-specific payments are economical and efficient. Implementing the actions in this area could result in savings of <b>hundreds of millions of dollars</b> , according to GAO analysis.   |
| 2016                             | Medicare Payments by Place of Service (Area 30)        | Action 1: Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits—and other services that the Secretary deems appropriate—and return the associated savings to the Medicare program. Implementing this action could result in savings of <b>\$1 billion to \$2 billion annually</b> , according to Medicare Payment Advisory Commission and Bipartisan Policy Center estimates.   |
| 2015                             | DOD US Family Health Plan (Area 6)                     | Action 1: To eliminate unnecessary program duplication and achieve increased efficiencies and potential savings within the integrated Military Health System, Congress should terminate the Secretary of Defense's authority to contract with US Family Health Plan (USFHP) designated providers in a manner consistent with a reasonable transition of affected USFHP enrollees into TRICARE's regional managed care program or other health care programs, as appropriate. Implementing this action could result in savings of <b>\$157 million</b> from fiscal year 2018 through fiscal year 2022, according to GAO analysis. |
| 2015                             | Medicare Postpayment Claims Reviews (Area 7)           | Action 1: In order to improve the efficiency and effectiveness of Medicare postpayment claims review efforts and to prevent inappropriate duplicative claims reviews among Medicare contractors, the Administrator of CMS should monitor the Recovery Audit Data Warehouse to ensure that all postpayment review contractors are submitting required data and that the data the database contains are accurate and complete.   |
| 2015                             | Programs for Serious Mental Illness (Area 8)           | Action 1: HHS—which includes the Substance Abuse and Mental Health Services Administration—should establish a mechanism to facilitate intra- and interagency coordination across programs that support individuals with serious mental illness.  |
| 2015                             | DOD TRICARE Improper Payments (Area 18)                | Action 1: The Secretary of Defense should implement a more comprehensive TRICARE improper payment measurement methodology that includes medical record reviews, as is done in other parts of its existing audit programs.  |

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2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                   | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2015                             | Medicare Payments to Certain Cancer Hospitals (Area 19) | <p>Action 1: To help HHS better control Medicare spending and encourage efficient delivery of care, and to generate cost savings from any reductions in payments to cancer hospitals that are exempted from the prospective payment system (PPS), Congress should consider requiring Medicare to pay these PPS-exempt cancer hospitals (PCH) as it pays PPS teaching hospitals, or provide the Secretary of Health and Human Services with the authority to otherwise modify how Medicare pays PCHs, and provide that all forgone outpatient payment adjustment amounts be returned to the Supplementary Medical Insurance Trust Fund.</p> <p>Implementing this action could lead to <b>\$500 million</b> in savings, according to GAO analysis.</p> |
| 2015                             | State Medicaid Sources of Funds (Area 20)               | <p>Action 1: To better oversee federal limits and requirements on financing the nonfederal share, and to examine the extent to which the federal government's increased spending is commensurate with increased payments to providers for health care services, the Administrator of CMS should develop a data collection strategy that ensures that states report accurate and complete data on all sources of funds used to finance the nonfederal share of Medicaid payments.</p> <p>Implementing this action could lead to <b>hundreds of millions of dollars</b> in savings, according to GAO analysis.</p>   |
| 2014                             | Federal Autism Research (Area 6)                        | <p>Action 1: The Secretary of Health and Human Services should direct the Interagency Autism Coordinating Committee (IACC) and the National Institutes of Health, in support of the IACC, to identify projects through its monitoring of federal autism activities—including the Office of Autism Research Coordination's annual collection of data for the portfolio analysis and the IACC's annual process to update the strategic plan—that may result in unnecessary duplication and thus may be candidates for consolidation or elimination, and identify potential coordination opportunities among agencies.</p>  |
| 2014                             | Minority AIDS Initiative (Area 7)                       | <p>Action 1: HHS should consolidate disparate Minority AIDS Initiative funding streams into core funding during its budget request and allocation process.</p>   |
| 2014                             | Medicaid Demonstration Waivers (Area 21)                | <p>Action 1: Congress should consider requiring the Secretary of Health and Human Services to improve the Medicaid demonstration review process, through steps such as improving the review criteria, better ensuring that valid methods are used to demonstrate budget neutrality, and documenting and making clear the basis for the approved limits.</p> <p>Implementing the actions in this area could result in <b>billions of dollars</b> in savings, according to GAO analysis.</p>   |
| 2013                             | Medicare Prepayment Controls (Area 25)                  | <p>Action 2: The Administrator of CMS should develop written procedures to provide guidance to agency staff on all steps in the processes for developing and implementing edits based on national policies, including time frames for taking corrective actions and methods for assessing the effects of corrective actions.</p>   |
| 2013                             | Medicaid Supplemental Payments (2013) (Area 26)         | <p>Action 3: Congress should consider requiring the administrator of CMS to require states to submit an annual independent certified audit verifying state compliance with permissible methods for calculating non-Disproportionate Share Hospital (DSH) supplemental payments.</p> <p>Implementing all three actions in this area could result in <b>hundreds of millions dollars or billions</b> in cost savings, according to GAO analysis.</p>   |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| Annual report <sup>a</sup> | Area (area number) <sup>b</sup>                        | Key open actions   |
|----------------------------|--|--|
| 2012                       | Military and Veterans Health Care (Area 15)            | Action 1: To improve the effectiveness, efficiency, and efficacy of services for recovering service members, veterans, and their families by reducing duplication and overlap, the Secretaries of Defense and Veterans Affairs should direct the Senior Oversight Committee to expeditiously develop and implement a plan to strengthen functional integration across all DOD and Department of Veterans Affairs (VA) care coordination and case management programs that serve this population.   |
| 2012                       | Medicare Advantage Payment (Area 45)                   | Action 1: To help ensure appropriate payments to Medicare Advantage (MA) plans, the Secretary of Health and Human Services should direct the Administrator of CMS to take steps to improve the accuracy of the adjustment made for differences in diagnostic coding practices between MA plans and traditional Medicare providers. To accomplish this, CMS could take steps such as<br>incorporating the most recent data available in its estimates and identifying and accounting for all years of diagnostic coding differences that could affect the payment year for which any adjustment is made;<br>taking into account the upward trend of the annual impact of coding differences in its estimates; and<br>accounting, insofar as possible, for all relevant differences in beneficiary characteristics between the MA and traditional Medicare populations.<br>Implementing this action could result in <b>\$2.5 billion</b> in savings from fiscal year 2013 to fiscal year 2022, according to the Congressional Budget Office.   |
| 2012                       | Medicare and Medicaid Fraud Detection System (Area 46) | Action 6: To better position the agency to measure, gauge, and take actions to help ensure the program's success toward achieving the \$21 billion in financial benefits that program integrity officials projected, the Administrator of CMS should define any measurable financial benefits expected from the implementation of Integrated Data Repository and One Program Integrity.  |
| 2011                       | DOD and VA Electronic Health Records Systems (Area 18) | Action 4: To bring transparency and credibility to the Secretaries of Veterans Affairs and Defense's assertion that their current approach to achieving an interoperable electronic health record will cost less and take less time than the previous single-system approach, the Secretaries should (1) develop a cost and schedule estimate for their current approach, from the perspective of both departments, that includes the estimated cost and schedule of the VA VistA Evolution program, DOD Healthcare Management System Modernization program, and the joint efforts to achieve interoperability between the two systems; then, (2) compare the cost and schedule estimates of the departments' current and previous (i.e., single-system) approaches. If the results of the comparison indicate that the departments' current approach is estimated to cost more or take longer than the single-system approach, or both, the Secretaries should (1) provide a rationale for pursuing the current approach despite its higher cost or longer schedule and (2) report the cost and schedule estimates of the current and previous approaches, results of the comparison of the estimates, and reasons (if applicable) for pursuing a more costly or time-consuming approach to VA's and DOD's congressional authorizing and appropriations committees. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>           | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2011                             | Public Health Information Systems (Area 20)     | Action 1: The Secretary of Health and Human Services should develop and implement a strategic plan that defines goals, objectives, and priorities for establishing an electronic public health situational awareness network. Such a plan should include performance measures for evaluating capabilities of existing and planned information systems. The strategic plan should integrate related strategies and information technology initiatives within HHS for sharing information among federal, state, local, and tribal entities. |
| 2011                             | Medicaid Supplemental Payments (2011) (Area 72) | Action 1: CMS should establish uniform guidance for states that sets acceptable methods for calculating non-Disproportionate Share Hospital (DSH) payment amounts; require facility-specific reporting of non-DSH supplemental payments; and develop a strategy to ensure that all state supplemental payment arrangements have been reviewed by CMS.<br><br>Implementing this action could lead to savings of <b>hundreds of millions of dollars</b> , according to GAO analysis.  |
| 2011                             | Medicare Improper Payments (Area 73)            | Action 1: CMS should require its contractors to develop thresholds for unexplained increases in billing and use them to develop automated prepayment controls.  |
| 2011                             | Medicare's Health Care Payments (Area 74)       | Action 7: Congress could exempt from the budget neutrality requirement savings attributable to policies that reflect efficiencies occurring when services are furnished together.   |

Homeland security / law enforcement

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                              | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2017                             | Missing and Unidentified Persons Data (Area 12)                    | Action 1: The Directors of the Federal Bureau of Investigation and the National Institute of Justice should evaluate the feasibility of sharing certain information among authorized users, document the results of this evaluation, and incorporate, as appropriate, legally and technically feasible options for sharing the information.                  |
| 2017                             | Sexual Violence Data (Area 13)                                     | Action 1: The Director of the Office of Management and Budget (OMB) should establish a federal interagency forum on sexual violence statistics. The forum should consider the broad range of differences across the data-collection efforts to assess which differences enhance or hinder the overall understanding of sexual violence in the United States. |
| 2016                             | Department of Homeland Security's Human Resources Systems (Area 8) | Action 2: The Secretary of Homeland Security should direct the Under Secretary of Management to ensure that the Human Resources Information Technology (HRIT) Executive Steering Committee is consistently involved in overseeing and advising HRIT, including approving key program management documents, such as HRIT's operational plan.                  |
| 2016                             | Security of Federal Facilities (Area 9)                            | Action 2: The Federal Protective Service and General Services Administration (GSA) should establish a plan with time frames for reaching agreement on the two agencies' respective roles and responsibilities for federal facility security, and update and finalize the two agencies' memorandum of agreement accordingly.                                  |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                             | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2015                             | Vulnerability Assessments of Critical Infrastructure (Area 9)     | Action 2: The Secretary of Homeland Security should direct the Under Secretary for the National Protection and Programs Directorate to work with other Department of Homeland Security (DHS) offices and components to develop and implement ways that DHS can facilitate data sharing and coordination of vulnerability assessments to minimize the risk of potential duplication or gaps in coverage.   |
| 2013                             | Department of Homeland Security Research and Development (Area 7) | Action 1: The Secretary of Homeland Security should develop and implement policies and guidance for defining and overseeing research and development (R&D) at the department to ensure that DHS effectively oversees its R&D investment and efforts and reduces fragmentation, overlap, and the risk of unnecessary duplication. Such policies and guidance could be included as an update to the department's existing acquisition directive and should include the following elements: a well-understood definition of R&D that provides reasonable assurance that reliable accounting and reporting of R&D resources and activities for internal and external use are achieved; a description of the department's process and roles and responsibilities for overseeing and coordinating R&D investments and efforts; and a mechanism to track existing R&D projects and their associated costs across the department. |
| 2013                             | Field-Based Information Sharing (Area 8)                          | Action 1: The Secretary of Homeland Security, the Attorney General, and the Director of the Office of National Drug Control Policy should work through the Information Sharing and Access Interagency Policy Committee or otherwise collaborate to identify characteristics of entities and assess specific geographic areas in which practices that could enhance coordination and reduce unnecessary overlap, such as cross-entity participation on governance boards and colocation of entities, could be further applied, and use the results to provide recommendations or guidance to the entities on implementing these practices.   |
| 2013                             | Checked Baggage Screening (Area 28)                               | Action 1: Congress may wish to consider directing the Transportation Security Administration (TSA) to study, in consultation with relevant industry stakeholders, whether the 90 percent federal cost share that TSA generally applies to cost sharing agreements for eligible airport facility modification projects related to the installation of checked baggage screening systems is appropriate or should be adjusted.<br><br>Implementing both actions in this area could result in savings of <b>\$234 million</b> from 2015 to 2027, according to a TSA estimate.  |
| 2012                             | Homeland Security Grants (Area 17)                                | Action 6: The Federal Emergency Management Agency (FEMA) should complete a national preparedness assessment of capability gaps at each level based on tiered, capability-specific performance objectives to enable prioritization of grant funding, and FEMA could identify the potential costs for establishing and maintaining those capabilities at each level and determine what capabilities federal agencies should provide.  |
| 2012                             | Border Security (Area 47)   | Action 2: To increase the likelihood of successful implementation of the Arizona Border Surveillance Technology Plan, minimize performance risks associated with the new approach, help justify program funding, and increase the reliability of the U.S. Customs and Border Protection (CBP) cost estimate, the Commissioner of CBP should develop and apply key attributes for metrics to assess program implementation.  |

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2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                                 | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2012                             | <a href="#">Immigration Inspection Fee (Area 49)</a>                  | Action 4: To determine the extent to which air passenger immigration inspection fees are aligned with the costs of inspection activities, which could enable fee adjustments to reduce reliance on general fund appropriations, Congress may wish to require the Secretary of Homeland Security to direct U.S. Immigration and Customs Enforcement and CBP to establish a regular schedule to review and coordinate on the costs of their respective air passenger immigration inspection activities, and revise the proportion of the fee received by each agency accordingly. |
| 2011                             | <a href="#">Biological Threats (Area 21)</a>                          | Action 2: The overarching biodefense enterprise would benefit from strategic oversight mechanisms, including a national strategy, to ensure efficient, effective, and accountable results.  |
| 2011                             | <a href="#">Securing the Northern Border (Area 22)</a>                | Action 1: DHS should provide guidance and oversight for interagency forums—which include both Integrated Border Enforcement Team and Border Enforcement Security Task Force interagency forums—to help prevent duplication of effort and help efficiently utilize personnel resources to strengthen DHS's coordination efforts along the northern border.   |
| 2011                             | Department of Homeland Security's Management of Acquisition (Area 75) | Action 3: DHS should ensure that its investment decisions are transparent and documented; budget decisions are informed by the results of acquisition reviews, including acquisition information and cost estimates; sufficient management resources are identified and aligned, such as acquisition staff, to implement oversight reviews in a timely manner; and acquisition program requirements are reviewed and validated.   |
| 2011                             | <a href="#">TSA's Behavior-Based Screening (Area 77)</a>              | Action 5: The Secretary of Homeland Security should direct the TSA Administrator to limit future funding support for the agency's behavior detection activities until TSA can provide scientifically validated evidence that demonstrates that behavioral indicators can be used to identify passengers who may pose a threat to aviation security.<br><br>Efforts to implement this action have resulted in <b>\$72 million</b> in savings from fiscal years 2016 to 2017.   |

**Income security**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>  | <b>Key open actions</b>   |
|----------------------------------|--|---|
| 2017                             | <a href="#">Disability Insurance (Area 29)</a>                                   | Action 1: Adjust the minimum withholding rate to 10 percent of monthly Disability Insurance (DI) benefits to allow quicker recovery of overpayment debt in the Social Security Administration's (SSA) Disability Insurance program.<br><br>Implementing the actions in this area could result in recovering tens of millions of dollars annually. |
| 2016                             | <a href="#">Disability Insurance and Federal Workers' Compensation (Area 31)</a> | Action 4: The Commissioner of Social Security should strengthen internal controls designed to prevent DI overpayments due to the concurrent receipt of Federal Employees' Compensation Act (FECA) benefits by implementing the alternative that provides the greatest net benefits.   |

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2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                               | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2016                             | Disability Insurance Overpayments (Area 32)                         | Action 1: To minimize the potential effect of vulnerabilities in the work reporting process, SSA should take steps to help ensure that work information is entered directly into eWork, the system of record for work information, and issue required receipts. Such steps could include: improving and issuing guidance and training to field and 800-number staff to help ensure they log information into eWork and issue required receipts, and establishing policies to monitor alerts to help ensure that work information for concurrent beneficiaries is reflected in Supplemental Security Income and DI systems, and take steps to monitor and make enhancements to systems or guidance, as needed. |
| 2016                             | Disability Reviews (Area 33)  | Action 1: The Acting Commissioner of Social Security should direct the Deputy Commissioner of Operations to further consider cost savings as part of SSA's prioritization of full medical reviews. Options could include considering the feasibility of prioritizing different types of beneficiaries on the basis of their estimated average savings and, as appropriate, integrating case-specific indicators of potential cost savings, such as beneficiary age and benefit amount, into its modeling or prioritization process for lower-priority cases.  |
| 2016                             | VA's Individual Unemployability Benefit (Area 34)                   | Action 1: The Secretary of Veterans Affairs should direct the Under Secretary for Benefits to develop a plan to study whether age should be considered when deciding if veterans are unemployable.<br><br>Implementing this action could save an estimated \$15 billion from 2015 through 2023, according to the Congressional Budget Office.   |
| 2015                             | Supplemental Nutrition Assistance Program Fraud and Abuse (Area 22) | Action 1: The Secretary of Agriculture should direct the Administrator of the Food and Nutrition Service to establish additional guidance to help states analyze Supplemental Nutrition Assistance Program (SNAP) transaction data to better identify SNAP recipient households that are receiving replacement cards and that are potentially engaging in trafficking, and assess whether the use of replacement card benefit periods may better focus this analysis on high-risk households potentially engaged in trafficking.  |
| 2014                             | Disability and Unemployment Benefits (Area 8)                       | Action 1: Congress should consider passing legislation to require SSA to offset Disability Insurance (DI) benefits for any Unemployment Insurance benefits received in the same period.<br><br>Implementing this action could save \$1.9 billion between fiscal year 2016 and fiscal year 2025, according to the Congressional Budget Office.   |
| 2014                             | Federal Employees' Compensation and Unemployment Benefits (Area 9)  | Action 1: To help identify whether claimants are inappropriately receiving overlapping Unemployment Insurance and Federal Employees' Compensation Act (FECA) payments, the Secretary of Labor should assess the feasibility of developing a cost-effective mechanism to share FECA compensation information with states, such as reporting information to the National Directory of New Hires.  |
| 2014                             | Disability Insurance (Area 22)                                      | Action 1: The Commissioner of Social Security should assess the costs and feasibility of establishing a mechanism to detect potentially disqualifying earnings during all months of the waiting period, including those months of earnings that the agency's enforcement operation does not currently detect, and implement this mechanism, to the extent that an analysis determines it is cost-effective and feasible.  |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>       | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2014                             | Veterans' and Survivors' Benefits (Area 23) | <p>Action 1: Congress should consider passing legislation that would establish a look-back and penalty period for claimants who transfer assets for less than fair market value prior to applying for pension benefits.</p> <p>Implementing this action could result in savings of \$38 million from 2015 to 2023, according to the Congressional Budget Office.</p>  |
| 2011                             | Social Security Offsets (Area 80)           | <p>Action 1: Congress could consider giving IRS the authority to collect the information that SSA needs on government pension income to administer the Government Pension Offset and the Windfall Elimination Provision accurately and fairly.</p> <p>Implementing this action could save \$2.4 billion to \$7.9 billion over 10 years, if enforced both retrospectively and prospectively, based on estimates from the Congressional Budget Office and SSA. The estimated savings would be less if SSA only enforced the offsets prospectively as it would not reduce benefits already received.</p> |

Information technology

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>       | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2016                             | Tribal Internet Access (Area 10)            | Action 1: The Chairman of the Federal Communications Commission should develop joint outreach and training efforts with the U.S. Department of Agriculture (USDA) whenever feasible to help improve Internet availability and adoption on tribal lands.   |
| 2016                             | Federal Mobile Telecommunications (Area 35) | Action 3: Fourteen agencies (the Departments of Agriculture (USDA), Commerce (Commerce), Health and Human Services (HHS), Homeland Security (DHS), the Interior (Interior), Justice (DOJ), the Treasury (Treasury), State, Transportation, and Veterans Affairs (VA), and the Environmental Protection Agency (EPA), General Services Administration (GSA), National Aeronautics and Space Administration, and Social Security Administration (SSA) should ensure that procedures to monitor and control spending on mobile devices and services are established agency-wide. Specifically, they should ensure that procedures include assessing devices for zero, under-, and overusage; personnel with authority and responsibility for performing the procedures are identified; and the specific steps to be taken to perform the process are documented. |
| 2015                             | DHS Processing of FOIA Requests (Area 10)   | Action 1: The Secretary of Homeland Security should determine the viability of reestablishing the service-level agreement between the United States Citizenship and Immigration Services (USCIS) and Immigration and Customs Enforcement (ICE) to eliminate duplication in the processing of immigration files. If the benefits of doing so would exceed the costs, reestablish the agreement.  |
| 2015                             | Federal Software Licenses (Area 23)         | <p>Action 4: Twenty-two of the 24 agencies covered by the Chief Financial Officers Act of 1990 (all the covered agencies except the Department of Housing and Urban Development (HUD) and the National Science Foundation) should establish a comprehensive inventory of software licenses using automated tools for the majority of agency software license spending or enterprise-wide licenses, or both. In addition, in July, Congress enacted the MEGABYTE Act of 2016, which codified this recommendation.</p> <p>Efforts to implement the actions in this area have resulted in \$24 million in savings. Implementing the actions in this area could result in hundreds of millions of dollars in savings.</p>   |

**Appendix VII: Key Open Actions Identified in  
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| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                            | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2014                             | Interoperable Radio Communications Systems (Area 10)             | Action 1: Congress should consider requiring DHS, DOJ, and Treasury to collaborate on the development and implementation of a joint radio communications solution that specifically requires the departments to establish an effective governance structure that includes a formal process for making decisions and resolving disputes, define and articulate a common outcome for this joint effort, and develop a joint strategy for improving radio communications.   |
| 2014                             | Information Technology Investment Portfolio Management (Area 24) | Action 7: The Director of the Office of Management and Budget (OMB) should direct the Federal Chief Information Officer to improve transparency of and accountability for PortfolioStat by publicly disclosing planned and actual data consolidation efforts and related cost savings by agency.<br><br>Efforts to implement the actions in this area have resulted in about \$1.4 billion in savings from fiscal years 2012 to 2015. Fully implementing the actions in this area could result in billions of dollars in additional savings. |
| 2013                             | Information Technology Operations and Maintenance (Area 30)      | Action 1: The Secretaries of Defense, Homeland Security, Health and Human Services, Veterans Affairs, and the Treasury should direct appropriate officials to annually perform operational analyses on all investments and ensure the assessments include all key factors.<br><br>Implementing both actions in this area could result in billions of dollars in savings, according to GAO analysis.  |
| 2013                             | Dissemination of Technical Research Reports (Area 10)            | Action 1: Congress should consider examining the appropriateness and viability of the fee-based model under which the National Technical Information Service currently operates for disseminating technical information to determine whether the use of this model should be continued.  |
| 2013                             | Geospatial Investments (Area 11)                                 | Action 10: The Director of OMB should develop a mechanism, or modify existing mechanisms, to identify and report annually on all geospatial-related investments, including dollars invested and the nature of the investment.<br><br>Implementing the actions in this area could result in savings of millions of dollars.   |

**International affairs**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>     | <b>Key open actions</b>   |
|----------------------------------|---|---|
| 2017                             | Foreign-Assistance Data Quality (Area 14) | Action 2: To improve the quality of the data published on ForeignAssistance.gov and help ensure consistency in published information, we recommend that the Secretary of State, in consultation with the Director of OMB and the USAID Administrator, undertake a review of the efforts to date on ensuring data quality.   |
| 2016                             | Cargo Preference for Food Aid (Area 36)   | Action 1: While recognizing that cargo preference serves policy goals established by Congress with respect to the U.S. merchant marine, including maintenance of a fleet capable of serving as a naval and military auxiliary in time of war or national emergency, Congress should consider clarifying cargo preference legislation regarding the definition of “geographic area” to ensure that agencies can fully utilize the flexibility Congress granted to them when it lowered the cargo preference for food aid requirement.<br><br>Implementing this action could result in millions of dollars of savings, according to GAO analysis. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>           | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2015                             | Federal and States' Export Promotion (Area 11)  | Action 3: To improve federal–state collaboration in providing export promotion services in accordance with the National Export Initiative and the Export Enhancement Act of 1992, the Secretary of Commerce, as Chair of the Trade Promotion Coordinating Committee, should take steps consistent with key practices to enhance, where possible, federal information sharing with state trade offices on Commerce’s export promotion activities. This could include more formal guidance to Commerce staff on the circumstances, in light of legal restrictions, in which information can be shared with state trade offices and other nonfederal entities, and exploring ways for clients to give permission to release information useful to such nonfederal entities. |
| 2014                             | International Religious Freedom (Area 11)       | Action 1: The Secretary of State and the Chair of the U.S. Commission on International Religious Freedom should jointly define how the Department of State and the commission should interact in their efforts to promote international religious freedom, paying particular attention to defining the ex officio role of the Ambassador-at-Large for International Religious Freedom as a nonvoting commission member.  |
| 2013                             | Export Promotion (Area 12)                      | Action 2: The Administrator of the Small Business Administration (SBA) should consult with Commerce and the Export-Import Bank and identify ways to increase, where possible, sharing of client information deemed useful for SBA, Commerce, and the Export-Import Bank.   |
| 2013                             | Tobacco Taxes (Area 31)                         | Action 1: Congress, as it continues oversight of the Children’s Health Insurance Program Reauthorization Act, may wish to consider equalizing tax rates on roll-your-own and pipe tobacco.   |
| 2012                             | Overseas Administrative Services (Area 20)      | Action 1: To contain costs and reduce duplication of administrative support services overseas, Congress may wish to consider requiring agencies to participate in International Cooperative Administrative Support Services (ICASS) unless they provide a business case to show that they can obtain these services outside of ICASS without increasing overall costs to the U.S. government or that their mission cannot be achieved within ICASS.  |
| 2011                             | Antidumping and Countervailing Duties (Area 81) | Action 5: To improve risk management in the collection of antidumping and countervailing duties, Customs and Border Protection (CBP) should, consistent with U.S. law and international obligations, take steps to use its data and risk assessment strategically to mitigate antidumping and countervailing duty nonpayment, such as by using predictive risk analysis to identify entries that pose heightened risk and taking appropriate action to mitigate the risk.  |

**Science and the environment**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                     | <b>Key open actions</b>  |
|----------------------------------|---|--|
| 2017                             | Administrative Requirements on Federal Research (Area 15) | Action 1: To achieve additional reductions in universities’ administrative workload and costs while maintaining accountability over grant funds, DOE, HHS, NASA, and NSF should coordinate with each other and with other agencies that fund research to identify additional areas where they can standardize requirements, and report on these efforts. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2013                             | Rural Water Infrastructure (Area 14)                 | Action 2: The Secretary of Agriculture and the Administrator of the Environmental Protection Agency (EPA) should work together and with state and community officials to develop guidelines to assist states in developing uniform environmental analyses that could be used, to the extent appropriate, to meet state and federal requirements for water and wastewater infrastructure projects.  |
| 2012                             | Coordination of Space System Organizations (Area 22) | Action 1: Working with the National Security Council, the Director of the Office of Management and Budget (OMB) should assess whether a construct analogous to the Defense Space Council could be applied government-wide or whether a separate organization should be established that would have greater authority for setting priorities than individual departments and agencies as well as responsibility for strategic planning. Given the complexity, diversity, and sensitivity of the many organizations involved in space, and long-standing resistance to centralized leadership structures or even partnerships among agencies, GAO realizes such an action could not be implemented quickly and would require a phased implementation approach. |
| 2012                             | Diesel Emissions (Area 24)                           | Action 1: To help ensure the effectiveness and accountability of federal funding that reduces diesel emissions, the Secretaries of Energy and Transportation as well as the Administrator of the EPA should establish a strategy for collaboration in reducing mobile source diesel emissions, consistent with existing law.   |
| 2012                             | Environmental Laboratories (Area 25)                 | Action 2: To address potentially overlapping laboratory activities and achieve efficiencies by sharing workforce expertise, the Administrator of the EPA should establish a top-level science official with the authority and responsibility to coordinate, oversee, and make management decisions regarding major scientific activities throughout the agency, including the work of all program, regional, and Office of Research and Development laboratories.  |

Social services

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>          | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2014                             | Better Data to Mitigate Foreclosures (Area 25) | Action 1: The Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and Department of Agriculture (USDA) should periodically analyze the effectiveness and long-term costs and benefits of their mitigation strategies and actions. These analyses should consider (1) the redefault rates associated with each type of mitigation action and (2) the impact that loan and borrower characteristics have on the performance of different actions. The agencies should use analysis results to reevaluate their mitigation approaches and provide additional guidance to servicers to effectively target mitigation actions. If FHA, VA, and USDA do not maintain data needed to consider this information, they should require servicers to provide the information.<br><br>Implementing this action could result in about \$40 million dollars annually in cost savings, according to GAO estimates. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>          | <b>Key open actions</b>  |
|----------------------------------|--|--|
| 2012                             | Social Security Benefit Coordination (Area 27) | Action 1: In response to prior recommendations, the Social Security Administration (SSA) has taken steps to explore the possibilities of sharing information with states and the workers' compensation insurance industry to identify persons who might be receiving workers' compensation benefits. While some information sharing has taken place, GAO continues to believe that additional opportunities exist to share information. While obtaining information from states is difficult, these efforts may help identify workers' compensation beneficiaries so that benefits can be appropriately and accurately offset. |
| 2012                             | Housing Assistance (Area 28)                   | Action 1: To optimize the federal role in rural housing, Congress may wish to consider requiring USDA and the Department of Housing and Urban Development (HUD) to examine the benefits and costs of merging those programs that serve similar markets and provide similar products. As a first step, Congress could consider requiring USDA and HUD to explore merging their single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected.  |
| 2012                             | Domestic Disaster Assistance (Area 51)         | Action 1: The FEMA Administrator should reexamine the basis for the Public Assistance per capita indicator and determine whether it accurately reflects a state's capacity to respond to and recover from a disaster without federal assistance.   |
| 2011                             | Domestic Food Assistance (Area 29)             | Action 1: The USDA should identify and develop methods for addressing potential inefficiencies and reducing unnecessary overlap among its smaller food assistance programs while ensuring that those who are eligible receive the assistance they need. These methods could include conducting a study as a first step; convening a group of experts; identifying which of the lesser-studied programs need further research and taking steps to fill the research gap; or identifying and piloting proposed changes.  |
| 2011                             | Transportation-Disadvantaged Persons (Area 31) | Action 2: Federal departments on the Interagency Transportation Coordinating Council on Access and Mobility should develop and disseminate policies and grantee guidance for coordinating transportation services.   |

**Training, employment, and education**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>    | <b>Key open actions</b>   |
|----------------------------------|--|---|
| 2016                             | Post-9/11 GI Bill Overpayments (Area 37) | Action 3: The Secretary of Veterans Affairs should identify and implement a cost-effective way to allow Post-9/11 GI Bill beneficiaries to verify their enrollment status each month, and require monthly reporting.  |
| 2013                             | Higher Education Assistance (Area 16)    | Action 5: The Secretary of Education should take advantage of opportunities presented by recent and anticipated substantive program changes to sponsor and conduct evaluative research into the effectiveness of Title IV programs and higher education tax expenditures at improving student outcomes. |

**Appendix VII: Key Open Actions Identified in  
2011 to 2017 Annual Reports, by Mission**

| <b>Annual report<sup>a</sup></b> | <b>Area (area number)<sup>b</sup></b>                             | <b>Key open actions</b>  |
|----------------------------------|---|--|
| <a href="#">2012</a>             | <a href="#">Employment for People with Disabilities (Area 30)</a> | Action 1: To improve performance through greater coordination among the many federal programs that support employment for people with disabilities, the Office of Management and Budget (OMB) should consider establishing measurable, government-wide goals for employment of people with disabilities. Given the number of federal agencies and approaches involved in supporting employment for people with disabilities, government-wide goals could help spur greater coordination and more efficient and economical service delivery in overlapping program areas. To determine whether these goals are being met, agencies should establish related measures and indicators and collect additional data to inform these measures. |
| <a href="#">2012</a>             | <a href="#">Financial Literacy (2012) (Area 32)</a>               | Action 4: The Secretary of the Treasury and the Director of the Bureau of Consumer Financial Protection, who respectively serve as Chair and Vice Chair of the Financial Literacy and Education Commission, in concert with other agency representatives on the commission, should identify for federal agencies and Congress options for consolidating federal financial literacy efforts into the activities and agencies that are best suited or most effective.  |

Source: GAO. | GAO-17-491SP

Note: A number of issues affect GAO's ability to estimate potential cost savings and increased revenue, including a lack of data, sensitivity to when and how action is taken to address GAO's recommendations, and uncertainty about future conditions. As a result, estimates of potential cost savings or increased revenue vary in their degree of precision and may not be available for every action.

<sup>a</sup>Click on the year to go to the annual report in which this area was first introduced.

<sup>b</sup>Click on the area to go to GAO's [Action Tracker](#), which contains more information on the status of each action.

## Appendix VIII: Additional Information on Programs Identified

This appendix provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, cost savings or revenue enhancement discussed in this report, including budgetary information when available. “Programs” may include grants, initiatives, centers, loans, and other types of assistance or projects. This information can provide useful context for the issues we identified, but limitations should be noted. It is not always possible to report budgetary information at the specific program or activity level because agency budgets are not organized by programs, but rather by appropriations accounts. In those instances, we reported the most reliable data for the most recent fiscal year that is available or did not report budgetary information. Further, because this report discusses various programs or activities, each table may report different types of budgetary information, such as obligations, collections, or outlays. Due to the limitations described above, the budgetary information reported in this appendix cannot be totaled and does not represent potential cost savings for all programs.

**Table 17: Federal Actions to Protect Pollinators and Improve Agricultural Production (Area 1), Program Information**

| Agency   | Related program information <sup>a</sup>  |
|--|---|
| Department of Agriculture’s (USDA) Agricultural Research Service | The Agricultural Research Service has conducted limited monitoring of wild, native bees. For example, in 1997, the service’s laboratory in Logan, Utah, began monitoring wild, native bees in parks, forests, and other areas in the United States as part of its efforts to develop alternative pollinators for U.S. agriculture.  |
| USDA’s Forest Service  | The Forest Service reported to GAO that it is collaborating with the U.S. Geological Survey to monitor bee populations on Experimental Forest and Grassland units. Experimental forests and ranges—authorized by Congress and designated by the Chiefs of the Forest Service—offer scientists both within and outside the Forest Service opportunities to conduct long-term studies.  |
| USDA’s National Agricultural Statistics Service                  | The National Agricultural Statistics Service collects population, colony loss, and economic data on honey bees. The agency can also provide statistical support to efforts to develop baseline status data and assess trends in other pollinator populations.   |
| USDA’s National Institute of Food and Agriculture                | The National Institute of Food and Agriculture has supported some monitoring of wild, native bees, according to USDA documents and officials. For example, one institute-funded project at Pennsylvania State University begun in 2010 seeks to establish baseline biodiversity and abundance data for native bees in and adjacent to Pennsylvania orchards, determine which species are pollinators, and quantify their relative significance and economic importance. |

**Appendix VIII: Additional Information on Programs Identified**

| <b>Agency</b>  | <b>Related program information<sup>a</sup></b>  |
|--|---|
| Interior’s Fish and Wildlife Service (FWS)                     | The FWS has collaborated with the U.S. Geological Survey, the USDA Agricultural Research Service, universities, and others on native bee surveys. This collaboration has led to the development of a database representing more than a million bee specimens from across North America, and provides identification and survey design support for a broad array of private, academic, state, and federal investigators. Projects are ongoing, with national survey programs limited in scope by the available level of funding. |
| Department of the Interior’s (Interior) U.S. Geological Survey | The U.S. Geological Survey has created and vetted national programs for estimating population trends for native and invasive bee species, developed and evaluated bee survey protocols and native bee monitoring manuals, created online identification guides for the bees of North America, and held workshops on native bee identification.  |
| Interior’s National Park Service (NPS)                         | NPS can conduct wild, native bee monitoring activities on national park units. For example, according to the White House Task Force Research Action Plan, a survey by the Agricultural Research Service of National Parks in the Pacific Northwest is documenting distributional changes of bumble bee species and habitat connectivity across high-elevation corridors.  |
| National Science Foundation                                    | As of May 2015, the National Science Foundation’s ongoing support for pollinator research comprised over 250 currently funded projects focused on pollinators, totaling over \$113 million. There is no single pollinator-focused program at the foundation; however, pollinator-relevant research and education projects are supported in science, education, and engineering programs across the entire agency.   |

Source: GAO analysis of agency data. | GAO-17-491SP

Notes: The 2014 presidential memorandum on pollinators called for the White House Task Force to assess the status of native bees and other pollinators. The White House Task Force’s research action plan identified several priority actions, with corresponding lead and support agencies responsible for different aspects of the monitoring.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

<sup>a</sup>Related program information provides a description of actual and potential activities to monitor wild, native bees.

**Table 18: Army and Air Force Virtual Training (Area 2), Program Information**

| <b>Agency</b>                         | <b>Program name</b>                                  | <b>Program description</b>   |
|---------------------------------------|--|--|
| Department of Defense (DOD)—Air Force | Live, Virtual, and Constructive Operational Training | A training approach intended to integrate live aircraft and systems with virtual and constructive entities, systems, and environments to train essential capabilities that are required for combat readiness.  |
| DOD—Army                              | Virtual Training Devices                             | Virtual training devices involving a simulator, simulation, or computer-generated battlefield. The Army relies on a combination of live, virtual, constructive, and gaming training to hone individuals’ and units’ skills in tactics, techniques, and procedures. |

Source: GAO. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts and result in cost savings.

**Appendix VIII: Additional Information on Programs Identified**

**Table 19: Construction Projects Supporting Military Contingency Operations (Area 3), Program and Related Budgetary Information**

| Agency                      | Appropriations account                           | Appropriation description  |
|-----------------------------|--|--|
| Department of Defense (DOD) | Construction for military contingency operations | DOD has spent billions of dollars on “contingency construction” projects, such as troop housing and guard towers to support operations in Afghanistan and Iraq. These projects are generally funded from Military Construction or Operation and Maintenance appropriations, depending on the cost. |

Source: GAO. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 20: Defense Weather Satellites (Area 4), Program and Related Budgetary Information**

| Agency                      | Program name                               | Program description  | Fiscal year 2016 obligations (dollars) |
|-----------------------------|--|--|--|
| Department of Defense (DOD) | Weather System Follow-on Microwave (WSF-M) | WSF-M is intended to collect data on ocean surface vector wind and tropical cyclone intensity to inform military operations. | 27,618,000                             |

Source: GAO analysis of DOD data. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 21: DOD Advertising (Area 5), Program and Related Budgetary Information**

| Agency                      | Program name    | Program description  | Fiscal year 2016 obligations (dollars) |
|-----------------------------|-----------------|--|--|
| Department of Defense (DOD) | DOD Advertising | Activities include advertising efforts to inform the public of military service and to recruit military personnel. | 516,500,000                            |

Source: GAO analysis of DOD information. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Appendix VIII: Additional Information on  
Programs Identified**

**Table 22: Federal Critical Raw Materials Activities (Area 6), Program Information**

| <b>Agency</b>                                 | <b>Role</b>  | <b>Examples of activities</b>   |
|---|--|---|
| Department of Agriculture                     | Reviewing and approving mining projects  | Oversees the extraction of minerals on federal land managed by the U.S. Forest Service.   |
| Department of Commerce                        | Assessing risk; supporting commercialization of new technologies   | Conducted a strategic materials survey to evaluate the supply chains associated with several materials considered important to defense programs and systems; convened roundtables of industry and government participants to gather information on critical materials issues that may affect U.S. manufacturers and the competitiveness of U.S. industry; provides support for industrial adoption of rare-earth materials substitutes by providing materials measurement science and developing data and models.   |
| Department of Defense                         | Assessing risk; supporting research; stockpiling or producing materials  | Periodically issues two reports analyzing critical materials for defense needs according to statutory definitions of “critical” and “strategic and critical” materials; funds critical materials research both through component agencies that support the entire department and through the Army, Navy, and Air Force research organizations; stores selected materials in the National Defense Stockpile to mitigate potential shortages based on certain national emergency planning assumptions.  |
| Department of Energy                          | Assessing risk; supporting research; coordinating internationally; stockpiling or producing materials; promoting technical education and workforce development | In 2010 and 2011, conducted criticality assessments on materials important to clean energy applications; runs the Critical Materials Institute (CMI)—a 5-year, \$120 million public–private partnership with research efforts focused on diversifying the supply of materials, developing substitute materials, and improving the efficiency of material use and reduction of waste, among other efforts; organizes the EU-US-Japan Trilateral Conference on Critical Materials with the European Commission and the Japanese Ministry of Economy, Trade, and Industry and led efforts in research and development and recycling on the Transatlantic Economic Council (TEC); produces and distributes radioactive and stable isotopes in short supply for commercial or federal needs; offers a variety of educational opportunities through CMI and its partners. |
| Department of Homeland Security               | Assessing risk   | Identifies critical foreign infrastructure that, if disrupted, could significantly affect U.S. public health, economic vitality, industrial capability, or security.  |
| Department of the Interior                    | Assessing risk; supporting research; reviewing and approving mining projects   | Provides statistics and information on the worldwide production, consumption, and flow of minerals and materials essential to the U.S. economy and national security; supports research on nonfuel mineral resources; led efforts in raw materials data on the TEC; oversees the extraction of minerals on federal land managed by the Bureau of Land Management.   |
| Environmental Protection Agency               | Coordinating internationally; recycling and sustainable materials management   | Led efforts in recycling on the TEC; engages with public and private stakeholders to advance the productive and sustainable use of materials across their life cycles.  |
| National Aeronautics and Space Administration | Assessing risk   | Analyzes its supply chains for materials that it deems essential to its mission.  |

**Appendix VIII: Additional Information on Programs Identified**

| <b>Agency</b>                           | <b>Role</b>  | <b>Examples of activities</b>  |
|---|--|--|
| National Science and Technology Council | Facilitating interagency coordination  | Coordinates science and technology policy across the federal research enterprise through multiple committees and subcommittees, such as the Subcommittee on Critical and Strategic Mineral Supply Chains (CSMSC), which was chartered to provide advice and assistance on policies, plans, and procedures for mitigating mineral risks, and the Subcommittee on the Materials Genome Initiative—a multiagency initiative designed to discover, develop, and manufacture the next generation of materials to meet national needs. |
| National Science Foundation             | Supporting research; promoting technical education and workforce development | Supports an initiative to encourage and foster research in sustainable chemistry, engineering, and materials to address the interrelated challenges of sustainable supply, engineering, production, and use of chemicals and materials; supports development of a strong science, technology, engineering, and mathematics (STEM) workforce by investing in building the knowledge that informs improvements in STEM teaching and learning.  |
| Office of Science and Technology Policy | Facilitating interagency coordination  | Fosters partnerships among federal, state, and local governments, and the scientific communities in industry and academia, through activities such as cochairing the CSMSC, which coordinated an interagency effort to develop a methodology to identify potentially critical materials for the U.S. economy or security and requested changes to the Harmonized Tariff Schedule to provide more granular data on U.S. imports of permanent magnets, among other changes.  |
| Office of the U.S. Trade Representative | Addressing trade issues; coordinating internationally                        | Led the federal government’s World Trade Organization (WTO) dispute against China’s export restrictions on rare-earth materials, tungsten, and molybdenum, resulting in a finding that the export restrictions were inconsistent with China’s WTO obligations, and continues to monitor China’s actions to ensure compliance with the WTO decision; led efforts on trade cooperation on the TEC.   |

Source: GAO analysis of federal agency data. | GAO-17-491SP

Notes: The Department of Energy, Department of the Interior, and Office of Science and Technology Policy serve as cochairs of the Subcommittee on Critical and Strategic Mineral Supply Chains (CSMSC).

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Appendix VIII: Additional Information on Programs Identified**

**Table 23: Federal Grant Awards (Area 7), Program and Related Budgetary Information**

| <b>Agency</b>   | <b>Program description</b>  | <b>Fiscal year 2016 obligations (dollars)</b> |
|---|---|---|
| Department of the Interior's (Interior) National Park Service (NPS)                       | NPS provides grants and cooperative agreements to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout the United States and the world.  | 152,500,000                                   |
| Interior's Fish and Wildlife Service (FWS)  | FWS awards grants and cooperative agreements to programs associated with the use, management, and conservation of natural resources, lands, and cultural facilities associated with the National Park and National Refuge Systems, and the conservation and enhancement of fish, wildlife, vegetation, and habitat. | 225,800,000                                   |
| Department of Agriculture's (USDA) Food and Nutrition Service (FNS)                       | FNS awards grants and cooperative agreements to increase food security and reduce hunger by providing children and low-income people access to food, a healthful diet, and nutrition education.   | 28,500,000                                    |
| Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) | CDC provides grants and cooperative agreements to help involve and engage public-health stakeholders, including state and local governments, in fulfilling CDC's mission to protect America from health, safety, and security threats.  | 743,800,000                                   |

Source: GAO analysis of agency data. | GAO-17-491SP

Notes: The four subagencies listed were part of a January 2017 review looking at merit-based grant selection. We selected two subagencies with the most grant award announcements at three federal grant-making departments—the Department of Health and Human Services, Interior, and USDA. GAO, *Grants Management: Selected Agencies Should Clarify Merit-Based Award Criteria and Provide Guidance for Reviewing Potentially Duplicative Awards*, [GAO-17-113](#) (Washington, D.C.: Jan. 12, 2017).

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 24: Federal Hiring (Area 8), Program Information**

| <b>Agency</b>                        | <b>Program name</b>                                | <b>Program description</b>  |
|--------------------------------------|--|---|
| Office of Personnel Management (OPM) | Employee Services— Recruitment and Hiring Programs | Employee Services leads OPM's efforts to streamline and simplify the hiring process through, among other things, developing policy for and administering the hiring authorities available under Title 5 of the U.S. Code. Through its Hiring Excellence Campaign, OPM in collaboration with the Office of Management and Budget, provided guidance to hiring managers and human-resources staff on using hiring authorities to help agencies hire top talent from all segments of society. Federal agencies also have a responsibility to implement and use hiring authorities in compliance with applicable laws to help meet their recruitment needs. |

Source: GAO analysis of OPM information. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

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**Table 25: Grants for Transit Resilience (Area 9), Program and Related Budgetary Information**

| <b>Agency</b>   | <b>Program name</b>                            | <b>Program description</b>   | <b>Obligations as of August 2016 (dollars)</b> |
|---|--|--|--|
| Department of Transportation's Federal Transit Administration (FTA) | Public Transportation Emergency Relief Program | The Disaster Relief Appropriations Act, 2013, provided FTA with \$10.9 billion for the Public Transportation Emergency Relief Program. In its notice of funding availability, FTA announced that it would provide approximately \$3 billion of those funds to be awarded on a competitive basis for projects to increase the resilience of transit systems to withstand future disasters in the areas affected by Hurricane Sandy. | 268,379,000                                    |

Source: GAO analysis of Department of Transportation information. | GAO-17-491SP

Notes: In November 2014, the Department of Transportation announced that it selected 40 resilience projects in six states and the District of Columbia to receive \$3,591,883,625 in funding. As of August 2016, the department had obligated \$268,379,000.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend one action that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 26: Recovery Operations Center Closure (Area 10), Program and Related Budgetary Information**

| <b>Agency</b>                                  | <b>Program name</b>        | <b>Program description</b>  | <b>Fiscal year 2015 budget authority (dollars)</b> |
|--|----------------------------|---|--|
| Recovery Accountability and Transparency Board | Recovery Operations Center | A central data-analytics service to support fraud detection and prevention and assist government entities' efforts to prevent fraud, waste, and abuse of federal funds, including identifying and recovering improper payments. | 18,000,000   |

Source: GAO. | GAO-17-491SP

Notes: The Recovery Accountability and Transparency Board closed when its authority expired at the end of fiscal year 2015.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 27: Use of the Do Not Pay Working System (Area 11), Program and Related Budgetary Information**

| <b>Agency</b>              | <b>Program name</b>        | <b>Program description</b>   | <b>Fiscal year 2016 obligations (dollars)</b> |
|----------------------------|----------------------------|--|---|
| Department of the Treasury | Do Not Pay Business Center | The Do Not Pay Business Center operates the Do Not Pay working system—a centralized, web-based system that allows agencies to review multiple data sources—and provides payment analysis services to federal agencies. | 5,116,000                                     |

Source: GAO analysis of Department of the Treasury data. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

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**Table 28: Missing and Unidentified Persons (Area 12), Programs and Related Budgetary Information**

| Agency  | Program name   | Program description  | Fiscal year 2016 obligations (dollars) |
|---|--|--|--|
| Department of Justice's Federal Bureau of Investigation (FBI) | National Crime Information Center (NCIC): Missing Persons File and Unidentified Remains File | NCIC is a law-enforcement database designed to assist authorized criminal justice users to perform day-to-day duties. NCIC contains 21 files, including the Missing Persons and Unidentified Remains files.  | Not available <sup>a</sup>             |
| Department of Justice's National Institute of Justice (NIJ)   | National Missing and Unidentified Persons System (NamUS)                                     | NamUs is made up of three Internet-based data repositories that can be used by law-enforcement officials, medical examiners, coroners, victim advocates or family members, and the general public to enter and search for information on missing and unidentified persons. | 4,700,000 <sup>b</sup>                 |

Source: GAO analysis of Department of Justice data. | GAO-17-491SP

Notes: The information presented in this table presents the best data available on the costs of collecting and managing data on missing and unidentified persons. Because of differences in the types of programs, costs cannot be compared.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

<sup>a</sup>Projected total costs for fiscal year 2016 for three FBI data systems—NCIC, Combined DNA Index System, and Integrated Automated Fingerprint Identification System—total \$477 million. All three systems are managed by FBI's Criminal Justice Information Service.

<sup>b</sup>NamUs is managed by NIJ through a cooperative agreement with the University of North Texas Health Science Center. Funds represent the total 2016 grant award for NamUs.

**Table 29: Sexual Violence Data (Area 13), Programs and Related Budgetary Information**

| Agency  | Program name  | Program description  | Fiscal year 2016 obligations (dollars) |
|---|---|--|--|
| Department of Education's Office of Postsecondary Education                               | Clery Act data  | Clery Act data are collected under the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, which requires all postsecondary institutions participating in federal student financial assistance programs to disclose statistics on certain crimes, including sexual offenses that occur on or near campuses that the institution owns or controls. | 508,400 <sup>a</sup>                   |
| Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) | National Electronic Injury Surveillance System—All Injury Program (NEISS-AIP) | NEISS-AIP collects data from a nationally representative sample of hospital emergency departments in the United States regarding visits for injuries.  | 1,997,000                              |
| Department of Health and Human Services' CDC  | National Intimate Partner and Sexual Violence Survey (NISVS)                  | NISVS is a telephone survey that collects information on intimate partner violence, sexual violence, and stalking of adults in the United States.  | 3,141,000                              |

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| <b>Agency</b>   | <b>Program name</b>   | <b>Program description</b>   | <b>Fiscal year 2016 obligations (dollars)</b> |
|---|---|--|---|
| Department of Justice's Federal Bureau of Investigation (FBI) | Uniform Crime Reporting Program– Summary Reporting System (UCR-SRS)                   | UCR-SRS consists of reported data on criminal offenses received from over 18,000 city, university/college, county, state, tribal, and federal law-enforcement agencies nationwide. | 7,572,000 <sup>b</sup>                        |
| Department of Justice's FBI                                   | Uniform Crime Reporting Program– National Incident-Based Reporting System (UCR-NIBRS) | UCR-NIBRS collects detailed data from over 6,500 law-enforcement agencies for each single incident reported to police where one or more criminal offenses were committed.          | 53,289,000 <sup>c</sup>                       |

| <b>Agency</b>   | <b>Program name</b>   | <b>Program description</b>   | <b>Estimated annual cost (dollars)</b> |
|---|---|--|--|
| Department of Defense's (DOD) Sexual Assault Prevention and Response Office | Defense Sexual Assault Incident Database (DSAID)                    | DSAID includes case information on unrestricted and restricted reports of allegations of sexual assault committed against members of the U.S. Armed Forces during or prior to their service.   | 2,028,000 <sup>d</sup>                 |
| DOD's Defense Manpower Data Center  | Workplace and Gender Relations Survey of Active Duty Members (WGRA) | WGRA is a survey that calculates prevalence data on sexual assault, sexual harassment, and gender discrimination among active-duty military personnel.   | 1,581,000 <sup>d</sup>                 |
| Department of Justice's Bureau of Justice Statistics (BJS)                  | National Crime Victimization Survey (NCVS)                          | NCVS is a household survey that collects data from about 160,000 individuals from a nationally representative sample of about 90,000 households on the frequency, characteristics, and consequences of criminal victimization in the United States.  | 29,300,000 <sup>e</sup>                |
| Department of Justice's BJS   | National Inmate Survey (NIS)  | NIS falls under the Prison Rape Elimination Act of 2003 (PREA), which requires BJS to obtain data on the incidence and effects of prison rape from a sample of federal, state, county, and municipal correctional facilities. NIS collects sexual assault incident data directly from inmates at those facilities. | 2,500,000 <sup>f</sup>                 |
| Department of Justice's BJS   | Survey of Sexual Victimization (SSV)                                | SSV also falls under PREA and collects information from the correctional facilities on reported allegations of sexual victimization by inmates or staff.   | 700,000 <sup>g</sup>                   |

Source: GAO analysis of agency information. | GAO-17-491SP

Notes: We cannot report a total cost of sexual violence data to the government. The information presented in this table represents the best data available on the costs of collecting data on sexual violence. However, in many cases the data-collection efforts contain information on more than sexual violence, and the amounts listed include spending on the full data-collection effort and not just sexual violence data-collection activities. In some cases, we report annual obligations or estimated annual obligations for the program, and in other cases, we report the agency's estimate for the annual cost of the program.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend an action that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts. Budget information in this table is rounded to the nearest thousand.

**Appendix VIII: Additional Information on Programs Identified**

- <sup>a</sup>The Department of Education Office of Postsecondary Education provided fiscal year 2016 estimated obligations.
- <sup>b</sup>FBI reported obligating \$7,572,000 in fiscal year 2016 for UCR-SRS and UCR-NIBRS combined.
- <sup>c</sup>FBI reported obligating \$7,572,000 for UCR-SRS and UCR-NIBRS combined and \$45,717,000 for only NIBRS in fiscal year 2016.
- <sup>d</sup>The Department of Defense estimated annual costs for DSAID and WGRA based on fiscal year 2016 costs for operations and management of the data collection efforts.
- <sup>e</sup>The Department of Justice reported obligating \$41,000,000 in fiscal year 2016 for a 24-month interagency agreement with the Census Bureau to conduct the National Crime Victimization Survey. The agency estimates the annual cost of the survey to be \$29,300,000.
- <sup>f</sup>The Department of Justice obligated \$15,000,000 for a 6-year contract to collect data for the National Inmate Survey. BJS estimated the average annual cost to be approximately \$2,500,000.
- <sup>g</sup>The Department of Justice estimated the average annual cost of the Survey of Sexual Victimization to be approximately \$700,000.

**Table 30: Foreign-Assistance Data Quality (Area 14), Program and Related Budgetary Information**

| Agency              | Program name                  | Program description  | Obligations <sup>a</sup><br>(dollars) |
|---------------------|-------------------------------|--|---------------------------------------|
| Department of State | Foreignassistance.gov website | ForeignAssistance.gov is an official site for U.S. government foreign-assistance data. The website reports funding and activity-level data, by implementing mechanism (e.g., contract or grant), including activity purpose, description, and location for 10 U.S. agencies. | 4,493,432                             |

Source: GAO analysis of agency information. | GAO-17-491SP

Note: It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

<sup>a</sup>In 2015, the Department of State had a \$4.5 million contract with PriceWaterHouseCoopers for managing ForeignAssistance.gov.

**Table 31: Administrative Requirements on Federal Research (Area 15), Programs and Related Budgetary Information**

| Agency   | Program description   | Fiscal year 2016 obligations<br>(dollars) |
|--|---|---|
| Department of Energy (DOE)                           | DOE provides research and development funding to universities and colleges through numerous grant programs supporting advancements in a range of energy technologies. | 971,200,000                               |
| National Aeronautics and Space Administration (NASA) | NASA provides research and development funding to universities and colleges through numerous grant programs supporting space and earth sciences.                      | 931,800,000                               |
| National Institutes of Health (NIH)                  | NIH provides research and development funding to universities and colleges through numerous grant programs supporting medical sciences.                               | 17,533,300,000                            |
| National Science Foundation (NSF)                    | NSF provides research and development funding to universities and colleges through numerous grant programs supporting a wide range of scientific fields.              | 4,582,800,000                             |

Source: GAO analysis of National Science Foundation data. | GAO-17-491SP

Notes: Total federal obligations for research and development at universities and colleges was reported to be \$28,556,700,000 in fiscal year 2016.

It may be appropriate for multiple agencies or entities to be involved in the same programmatic or policy area due to the nature or magnitude of the federal effort, but we recommend a number of

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actions that could mitigate the risk of unnecessary fragmentation, overlap, or duplication of these efforts.

**Table 32: Department of Defense Commissaries (Area 16), Program and Related Budgetary Information**

| Agency                      | Program name     | Program description  | Fiscal year 2016 obligations (dollars) |
|-----------------------------|------------------|--|--|
| Department of Defense (DOD) | DOD Commissaries | Commissaries provide groceries and household goods at reduced prices as a benefit to military personnel, retirees, and their dependents. | 1,467,000,000                          |

Source: GAO analysis of Defense Commissary Agency information. | GAO-17-491SP  
 Note: Fiscal year 2016 obligations are estimated.

**Table 33: Department of Defense Special and Incentive Pays (Area 17), Program and Related Budgetary Information**

| Agency                      | Program name                             | Program description   | Fiscal year 2015 obligations (dollars) |
|-----------------------------|--|---|--|
| Department of Defense (DOD) | Special and incentive (S&I) pay programs | DOD uses S&I pay programs to compensate and incentivize active-duty servicemembers for occupations that are dangerous, less desirable, or require special skills. | 3,400,000,000                          |

Source: GAO analysis of DOD data. | GAO-17-491SP  
 Note: The data are limited to fiscal year 2015 because later data were not available as of March 2017.

**Table 34: Navy Shipbuilding (Area 18), Program Information**

| Agency                     | Appropriation name               | Appropriation description   | Fiscal year 2016 obligations (dollars) |
|----------------------------|----------------------------------|---|--|
| Department of Defense—Navy | Navy Shipbuilding and Conversion | For expenses necessary for the construction, acquisition, or conversion of vessels including armor and armament, plant equipment, appliances, and machine tools and installation; reserve plant and government and contractor-owned equipment layaway; procurement of critical, long lead time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants. | 18,432,000,000                         |

Source: Office of Management and Budget. | GAO-17-491SP

**Table 35: Storage of Defense and Commercial Nuclear Waste (Area 19), Program Information**

| Agency                     | Program name  | Program description  |
|----------------------------|---|--|
| Department of Energy (DOE) | Nuclear Energy, Fuel Cycle Research and Development | DOE has responsibility for disposing of nuclear waste resulting from commercial nuclear power generation and atomic energy defense activities, as required under the Nuclear Waste Policy Act of 1982. |

Source: DOE. | GAO-17-491SP

**Table 36: Department of Veterans Affairs Medical Facility Construction (Area 20), Program and Related Budgetary Information**

| Agency | Appropriation name | Appropriation description | Fiscal year 2016 budget authority (dollars) |
|--------|--------------------|---------------------------|---|
|--------|--------------------|---------------------------|---|

**Appendix VIII: Additional Information on Programs Identified**

| Agency                         | Appropriation name           | Appropriation description  | Fiscal year 2016 budget authority (dollars) |
|--------------------------------|------------------------------|--|---|
| Department of Veterans Affairs | Construction, Major Projects | The Department of Veterans Affairs Major Construction Projects appropriation provides for constructing, altering, extending and improving any department facility, including, among other things, planning, engineering and architectural services, and site acquisition, where the estimated cost of a project is over \$10,000,000 or where funds for a project were made available in a previous major project appropriation. | 1,243,800,000                               |

Source: Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, 129 Stat. 2242, 2691-92 (2015). | GAO-17-491SP

Note: Most of this appropriation is available for obligation through fiscal year 2020 and a smaller amount is available until expended.

**Table 37: Government Purchase Cards (Area 21), Programs and Related Budgetary Information**

| Agency          | Program name                     | Program description   | Fiscal year 2016 outlays (dollars) |
|-----------------|----------------------------------|---|------------------------------------|
| Government-wide | Government purchase card program | The purchase card program was created as a way for agencies to streamline the federal acquisition process by providing a low-cost, efficient vehicle for agencies to obtain goods and services directly from vendors. | 19,092,741,813                     |

Source: GAO analysis of General Services Administration data. | GAO-17-491SP

Note: The General Services Administration manages the government's purchase card program. The agency currently administers the purchase card contracts with three banks: US Bank, Citibank, and JP Morgan Chase.

**Table 38: Inland Waterways Fuel Tax (Area 22), Program and Related Budgetary Information**

| Agency                     | Program name                | Program description   | Fiscal year 2016 collections (dollars) |
|----------------------------|-----------------------------|---|--|
| Department of the Treasury | Inland Waterways Trust Fund | The Inland Waterways Trust Fund receives revenues from a 29 cents per gallon tax on fuel used for propulsion of commercial vessels on federally designated, taxable inland waterways. | 110,901,747                            |

Source: GAO analysis of Department of the Treasury information. | GAO-17-491SP

**Table 39: Land Mobile Radio Procurement (Area 23), Program Information**

| Agency   | Initiative name     | Initiative description   |
|--|---------------------|--|
| Office of Management and Budget's Office of Federal Procurement Policy | Category Management | In 2014, the Office of Federal Procurement Policy announced its Category Management Initiative, an approach based on leading practices to manage entire categories of spending across government for commonly purchased goods and services, such as information-technology hardware and software. The initiative is designed to allow the federal government to buy goods and services more like a single enterprise, leveraging its purchasing power as the world's largest consumer. |

Source: GAO analysis of Office of Management and Budget information. | GAO-17-491SP

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**Table 40: Refundable Tax Credits (Area 24), Program and Related Budgetary Information**

| Agency  | Program name  | Program description  | Fiscal year 2016 estimated outlays <sup>a</sup> (dollars) |
|---|---|--|---|
| Department of the Treasury's Internal Revenue Service (IRS) | Earned Income Tax Credit (EITC)                               | The EITC was enacted to encourage low-income families to seek employment by offsetting the impact of Social Security taxes. The amount of the credit taxpayers can claim varies depending on earned income and number of children.   | 63,700,000,000 <sup>b</sup>                               |
| Department of the Treasury's IRS                            | Child Tax Credit (CTC) and Additional Child Tax Credit (ACTC) | The Additional Child Tax Credit (ACTC) is the refundable portion of the Child Tax Credit (CTC) and provides tax relief to low-income families with children. It also adds to the positive reward the EITC provides to those who work. Taxpayers can claim up to \$1,000 per child, depending on income.  | 54,170,000,000 <sup>c</sup>                               |
| Department of the Treasury's IRS                            | American Opportunity Tax Credit (AOTC)                        | The American Opportunity Tax Credit (AOTC) offsets certain higher education related expenses in an effort to lessen the financial burden of a college or professional degree for taxpayers and their dependents. Taxpayers can claim up to \$2,500 per eligible student, of which \$1,000 is refundable. | 20,160,000,000 <sup>d</sup>                               |

Source: GAO analysis of Department of the Treasury data. | GAO-17-491SP

Notes: This table shows selected refundable tax credits.

<sup>a</sup>In the federal budget, the portion of refundable credits that reduces the amount of taxes owed is counted as a reduction in revenues, and the portion that exceeds the amount owed (and is refunded) is treated as an outlay. The figures in the table include both the amount of reduced revenues and the amount refunded to taxpayers for fiscal year 2016.

<sup>b</sup>The amount includes reduced revenues of \$1.55 billion.

<sup>c</sup>The amount includes reduced revenues of \$24.18 billion.

<sup>d</sup>The amount includes reduced revenues of \$15.53 billion. The AOTC also includes the Lifetime Learning Tax Credit and the tuition and fees deduction, which are also for qualified postsecondary education expenses.

**Table 41: Federal Payments for Hospital Uncompensated Care (Area 25), Program and Related Budgetary Information**

| Agency                                   | Program name | Program description  | Fiscal year 2016 outlays (dollars) |
|--|--------------|--|------------------------------------|
| Centers for Medicare & Medicaid Services | Medicare     | A federal health-insurance program for individuals aged 65 or over; certain individuals with disabilities; and individuals with end-stage renal disease. | 696,000,000,000 <sup>a</sup>       |
| Centers for Medicare & Medicaid Services | Medicaid     | A joint federal–state program that finances health care for low-income individuals, including children, and aged or disabled adults.                     | 575,900,000,000 <sup>b</sup>       |

Source: GAO analysis of Centers for Medicare & Medicaid Services data. | GAO-17-491SP

<sup>a</sup>The \$696,000,000,000 represents \$373,700,000,000 for Medicare Fee-for-Services, \$161,900,000,000 for Medicare Advantage (Part C), and \$70,200,000,000 for Medicare Prescription Drug Benefit (Part D).

<sup>b</sup>The \$575,900,000,000 includes about \$ 363,400,000,000 in the federal share of Medicaid payments and about \$212,500,000,000 in state share of Medicaid expenditures

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**Table 42: Medicaid Personal Care Services (Area 26), Program and Related Budgetary Information**

| Agency                                   | Program name | Program description  | Fiscal year 2016 outlays (dollars) |
|--|--------------|--|------------------------------------|
| Centers for Medicare & Medicaid Services | Medicaid     | A joint federal–state program that finances health care for low-income individuals, including children, and aged or disabled adults. | 575,900,000,000                    |

Source: Centers for Medicare & Medicaid Services. | GAO-17-491SP

Note: Medicaid's estimated cost for fiscal year 2016 includes about \$363,400,000,000 for the federal share of Medicaid payments and about \$212,500,000,000 for the state share of Medicaid expenditures.

**Table 43: Medicare Advantage Improper Payments (Area 27), Program and Related Budgetary Information**

| Agency                                   | Program name                | Program description  | Fiscal year 2016 outlays (dollars) |
|--|-----------------------------|--|------------------------------------|
| Centers for Medicare & Medicaid Services | Medicare Advantage (Part C) | CMS pays organizations that offer a private alternative plan to Medicare a predetermined monthly amount per beneficiary. These amounts are adjusted for variation in the cost of providing health care to beneficiaries on the basis of various risk factors, including health status. | 160,000,000,000                    |

Source: GAO analysis of Department of Health and Human Services information. | GAO-17-491SP

**Table 44: Patient Protection and Affordable Care Act Enrollment (Area 28), Program Information**

| Health care issue                    | Selected feature of the act           | Description   |
|--------------------------------------|---------------------------------------|---|
| Providing coverage, lowering cost    | Create health-insurance marketplaces  | The act provides for the establishment of health-insurance exchanges, or marketplaces, to assist consumers in comparing and selecting among insurance plans offered by participating private issuers of health-care coverage. States may elect to operate their own marketplaces, or may rely on the federal Health Insurance Marketplace, known to the public as HealthCare.gov. Government subsidies can reduce premiums and certain medical costs for qualifying applicants. |
| Increasing access to affordable care | Extend coverage for young adults      | Under the act, most health plans that cover children must make coverage available to children up to age 26. Previously, insurance companies could remove enrolled children from coverage.   |
| Insurance company accountability     | Seek to lower health-care premiums    | The act generally requires that at least 85 percent of premium dollars collected by insurance companies for plans offered in the large-group market are spent on health-care services and health-care quality improvement. For plans offered in the individual and small-group markets, the figure is generally 80 percent. If insurers do not meet the goal, they must provide rebates to consumers.   |
| Consumer protection                  | Prohibit coverage discrimination      | The act bars insurance companies from refusing to sell coverage or renew policies on the basis of preexisting conditions. Also, in the individual and small-group markets, the law eliminates the ability of insurers to charge higher rates on the basis of gender or health status.   |
| Medicaid                             | Expand coverage for low-income people | The act provides for expansion of Medicaid by providing states with additional federal funding to expand their Medicaid programs to cover adults under 65 with income up to 133 percent of the federal poverty level.   |

Source: GAO and Department of Health and Human Services. | GAO-17-491SP

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**Table 45: Disability Insurance (Area 29), Program and Related Budgetary Information**

| Agency                            | Program name         | Program description  | Fiscal year 2016<br>outlays (dollars) |
|-----------------------------------|----------------------|--|---------------------------------------|
| Social Security<br>Administration | Disability Insurance | Disability Insurance provides benefits to eligible workers<br>who have qualifying disabilities and their eligible family<br>members. | 143,130,000,000                       |

Source: GAO analysis of Department of the Treasury data. | GAO-17-491SP

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