GAO UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE

Report to Congressional Addressees

New Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

GAO@100
A Century of Non-Partisan Fact-Based Work

GAO-21-455SP

GAO@100 Highlights

Highlights of GAO-21-455SP, a report to congressional addressees

Why GAO Did This Study

The federal government has made an unprecedented financial response to the COVID-19 pandemic. Once the pandemic recedes and the economy substantially recovers, Congress and the administration will need to develop and swiftly implement an approach to place the government on a sustainable long-term fiscal path.

In the short term, opportunities exist for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs in other areas.

GAO has responded with annual reports to a statutory provision for it to identify and report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities. GAO also identifies areas that are fragmented or overlapping, as well as additional opportunities to achieve cost savings or enhance revenue collection.

This report discusses the new areas identified in GAO's 2021 annual report—the 11th in this series—and examples of open actions recommended to Congress or executive branch agencies with potential financial benefits of $1 billion or more.

To identify what actions exist to address these issues, GAO reviewed and updated select prior work, including matters for congressional consideration and recommendations for executive action.

View GAO-21-455SP. For more information, contact Jessica Lucas-Judy at (202) 512-6806 or lucasjudyj@gao.gov or Michelle Sager at (202) 512-6806 or sagerm@gao.gov.

May 2021

2021 ANNUAL REPORT:

New Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

What GAO Found

GAO identified 112 new actions for Congress or executive branch agencies to improve the efficiency and effectiveness of government. For example:

- The Office of Management and Budget should improve how agencies buy common goods and services—such as medical supplies and computers—by addressing data management challenges and establishing performance metrics to help save the federal government **billions of dollars over the next 5 years**, as well as potentially eliminate duplicative contracts.
- The Internal Revenue Service (IRS) could enhance third-party information reporting to increase compliance with tax laws and raise revenue. GAO has also previously suggested (1) providing IRS with authority—with appropriate safeguards—to correct math errors and to correct errors in cases where information provided by the taxpayer does not match information in government databases and (2) establishing requirements for paid tax return preparers to help improve the accuracy of tax returns they prepare. These actions could help reduce the substantial tax gap and increase revenues.
- The National Nuclear Security Administration could implement cost savings programs to operate more effectively at its nuclear laboratory and production sites to potentially save **hundreds of millions of dollars over approximately a 5-year period**.
- The Department of Defense's payments to privatized housing projects have lessened the financial effects of the housing allowance rate reductions for these projects, but revising the calculation for these payments could potentially result in **millions of dollars** of savings.
- Federal agencies could improve coordination of fragmented cybersecurity requirements and related assessment programs for state agencies, potentially minimizing the burden on states and saving **millions of dollars** in associated federal and state costs.
- The Department of Health and Human Services (HHS) could improve coordination of its infectious disease modeling efforts to better identify any duplication and overlap among agencies, which could help them to better plan for and more efficiently respond to disease outbreaks.

From 2011 to 2021, GAO has identified more than 1,100 actions to reduce costs, increase revenues, and improve agencies' operating effectiveness. GAO's last report in May 2020 said progress made in addressing many of the actions identified from 2011 to 2019 had resulted in approximately $429 billion in financial benefits, including $393 billion that accrued through 2019 and $36 billion that was projected to accrue in future years.

Since May 2020, at least tens of billions of dollars in additional financial benefits have been achieved. For example, based on GAO's updates for spring 2021, HHS's changes to spending limit determinations for Medicaid demonstration waivers further reduced federal spending by about $30 billion in 2019.

GAO estimates that tens of billions of additional dollars could be saved should Congress and executive branch agencies fully address open actions, including those that have potential financial benefits of $1 billion or more.

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441 G St. N.W.
Washington, DC 20548

May 12, 2021

Congressional Addressees

The federal government has made an unprecedented response to significant public health and economic challenges as the country continues to battle Coronavirus Disease 2019 (COVID-19). Once the pandemic recedes and the economy substantially recovers, Congress and the administration should develop and swiftly implement an approach to place the government on a sustainable long-term fiscal path.[1]

In the short-term, opportunities exist for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs in other areas. We have responded with annual reports to a statutory provision to report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.[2] As part of this work, we also identified additional opportunities for greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

In our 10 previous annual reports issued from 2011 to 2020, we introduced more than 350 areas and more than 1,000 actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenues.[3] We reported in May 2020 that actions from Congress and executive branch agencies to address many of these actions had resulted in about $429 billion in financial benefits, including $393 billion

[1]GAO, *The Nation's Fiscal Health: After Pandemic Recovery, Focus Needed on Achieving Long-Term Fiscal Sustainability*, GAO-21-275SP (Washington, D.C.: Mar. 23, 2021). For additional information, see https://www.gao.gov/americas-fiscal-future.

[2]Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

[3]See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2020 annual reports: http://www.gao.gov/duplication-cost-savings.

that accrued through 2019 and $36 billion that was projected to accrue in future years.[4]

While we will update total financial benefits in fall 2021, at least tens of billions of dollars in additional financial benefits have been achieved since May 2020. For example, we reported in May 2020 that the Department of Health and Human Services (HHS) changed its processes to fix spending limit determinations for Medicaid demonstration waivers, resulting in savings for the federal government of approximately $64.3 billion from 2016 through 2018. Based on our updates for spring 2021, savings from these actions have increased to $95.1 billion from 2016 through 2019.[5] We estimate that there are tens of billions in potential additional financial benefits from 2020 to 2022. We also estimate tens of billions more dollars could be saved by fully implementing all of our remaining open actions.[6]

Figure 1 defines the terms we use in this work.

[4]For 2021, the work on fragmentation, overlap, and duplication will be published in two separate special publications. This publication focuses on newly identified areas of fragmentation, overlap, and duplication from our reports generally issued between March 2020 and March 2021, as well as prior actions raised in our 2011-2020 reports (referred to as follow-up), where general estimates of the potential financial benefits could amount to $1 billion or more. The second publication, to be issued in the fall, will provide an update on remaining follow-up actions, as applicable, and an update to our online Action Tracker.

[5]In May 2020, numbers were presented in real 2019 dollars, while this updated number has been inflation-adjusted to 2020 dollars. The amount of newly identified savings for 2019 was $29.4 billion. Congressional action remains open to improve the Medicaid demonstration review process. We had previously recommended that HHS take these actions but elevated them for congressional consideration after HHS disagreed with the need to improve budget neutrality criteria, methods, and documentation of the basis for approved spending limits.

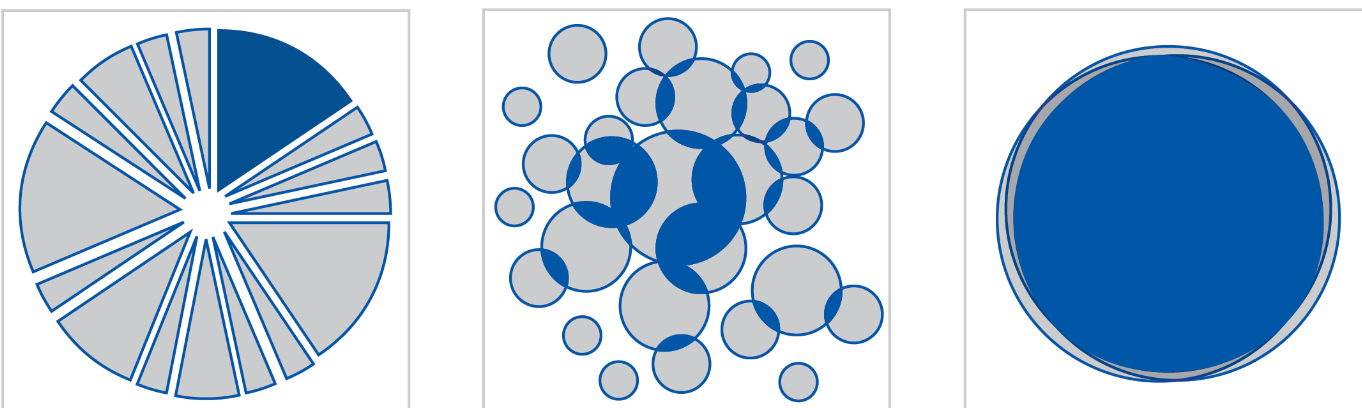
[6]In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and used different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest $1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude.

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-21-455SP

This report identifies 29 new areas where a broad range of federal agencies could 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 and actions, we continue to monitor the progress Congress and executive branch agencies have made in addressing actions we previously identified (see sidebar). For this report, we updated actions where potential financial benefits could amount to $1 billion or more.

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

GAO's online *Action Tracker*

GAO's *Action Tracker*, a publicly accessible website, allows Congress, executive branch agencies, and the public to track the federal government's progress in addressing the issues we have identified. GAO's *Action Tracker* includes a downloadable spreadsheet containing all actions.

Areas and actions in the spreadsheet can be sorted and filtered by the year identified, mission, area name, implementation status, and implementing entities (Congress or executive branch agencies). The spreadsheet additionally notes which actions are also GAO priority recommendations—those recommendations GAO believes warrant priority attention from the heads of departments or agencies.

With the release of this report, GAO is concurrently releasing selected updates to these resources. Additionally, GAO will be releasing a second update for remaining open actions in the *Action Tracker* in the fall of 2021.

Source: GAO. | GAO-21-455SP

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

This report presents 112 new actions for Congress or executive branch agencies across 29 new areas.[7] Of these 29 new areas, 20 concern fragmentation, overlap, or duplication in government missions and functions (see table 1). Appendix II provides more detailed information about the 20 new areas.

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

Mission	Area	Page
Agriculture	1. **Cell-Cultured Meat Oversight:** The Food and Drug Administration and U.S. Department of Agriculture should improve coordination to better manage fragmentation and overlap and strengthen oversight of cell-cultured meat.	21
Defense	2. **Dependency Determination Policy for Incapacitated Adult Children of Servicemembers:** The Department of Defense could help reduce and better manage fragmentation in processing dependency determination applications for incapacitated adult children to enhance the equitable treatment of military families.	23
	3. **DOD Real Property Records:** The Department of Defense should take steps to better manage fragmentation in the processes used by its components to establish and maintain reliable real property records by developing a department-wide strategy to address control issues and perform real property existence and completeness verifications.	25
Energy	4. **Natural Gas Export Facilities:** The Federal Energy Regulatory Commission should establish a process to regularly review its interagency agreements for onshore liquefied natural gas permitting and update them as needed, to better manage fragmentation in the permitting process and address any future policy changes.	27
General Government	5. **Arctic Maritime Infrastructure:** The appropriate entities within the Executive Office of the President, including the Office of Science and Technology Policy, should issue a strategy and designate interagency leadership to better manage fragmentation of agencies' efforts to address maritime infrastructure in the increasingly navigable Arctic.	29
	6. **Category Management:** The Office of Management and Budget should further its Category Management initiative to improve how agencies buy common goods and services by taking such actions as addressing its data management challenges and establishing additional performance metrics to help save the federal government **billions of dollars over the next 5 years**, as well as potentially eliminate duplicative contracts.	31
	7. **Employment-Related Identity Fraud:** The Internal Revenue Service and Social Security Administration should better manage fragmentation to identify potentially fraudulent wages, more effectively manage benefit programs, and enhance revenue.	33

[7]Of the 112 new actions, 10 were added to four existing areas (see table 3), which are not a part of the 29 new areas. In addition, the 112 new actions do not include 11 actions in six new areas that agencies addressed before this report was issued. In three of these areas, all actions were addressed before this report was issued and are not included in tables 1 and 2. More information on all 11 actions is available in the *Action Tracker* and in appendix I.

Mission	Area	Page
	8. **Procurement Technical Assistance to Small Businesses:** The Department of Defense should work with the Small Business Administration to formalize a collaborative agreement on client services for government contracting to help better manage overlap in the assistance provided.	35
	9. **Publicly Available Federal Real Property Data:** The General Services Administration should coordinate with federal agencies to improve the accuracy of the Federal Real Property Profile database by better managing fragmentation.	37
	10. **Third-Party Information Reporting:** Better managing fragmentation within the Internal Revenue Service could enhance third-party information reporting to increase compliance with tax laws and raise revenue by reducing the tax gap.	39
Health	11. **Antibiotic Resistance Diagnostic Test Research:** The Department of Health and Human Services should clearly establish agency leadership, roles, and responsibilities for research into the clinical outcomes of diagnostic testing for antibiotic resistance to help the agencies better manage fragmentation, which could help improve patient care and guide appropriate antibiotic use.	41
	12. **Infectious Disease Modeling:** By improving coordination of its infectious disease modeling efforts, the Department of Health and Human Services could better identify any duplication and overlap among agencies, which could help them to better plan for and respond to disease outbreaks.	43
	13. **Medicaid Claims Processing and Information Retrieval Systems:** The Centers for Medicare & Medicaid Services could reduce inefficient duplication and potentially save **millions of dollars annually** by actively identifying and encouraging states to pursue information technology system sharing opportunities across state Medicaid programs.	45
	14. **VA Graduate Medical Education Reimbursement:** The Department of Veterans Affairs should better manage overlap and duplication in its oversight mechanisms for Graduate Medical Education reimbursements to make oversight more effective and efficient and reduce the likelihood of improper payments to affiliated academic institutions.	47
Homeland Security/Law Enforcement	15. **Chemical Security:** Federal agencies should identify the extent of duplication and gaps among fragmented and overlapping chemical safety and security programs, which would better position relevant federal agencies to develop guidance, share information, and address potential security gaps.	49
Information Technology	16. **Federal Cybersecurity Requirements and Assessments of States:** By improving coordination of fragmented cybersecurity requirements and related assessment programs for state agencies, federal agencies could potentially minimize the burden on states and save **millions of dollars** in associated federal and state costs.	51
	17. **Federal IT Contract Duplication:** Agencies can realize savings of potentially **millions to hundreds of millions of dollars** by ensuring that their efforts to reduce duplicative information technology contracts are fully aligned with key Office of Management and Budget category management principles and practices and are informed by analyses of agency spending on products and services.	53
Science and the Environment	18. **FDA Laboratory Safety:** The Food and Drug Administration should better manage fragmentation, overlap, and duplication in its laboratory safety oversight, such as by clarifying roles and responsibilities.	55
	19. **Federal Efforts to Advance Recycling:** The Environmental Protection Agency could better manage potential fragmentation in federal efforts to advance recycling by assigning specific roles and responsibilities to federal agencies and other entities as it finalizes its national recycling strategy.	57
	20. **Intellectual Property Training:** The Small Business Administration should document how it will coordinate and leverage existing resources with the U.S. Patent and Trademark Office to help coordinate fragmented intellectual property training for small businesses.	59

Source: GAO. | GAO-21-455SP

We also present nine new areas where Congress or executive branch agencies could take action to reduce the cost of government operations or enhance revenue collections for the U.S. Department of the Treasury (see table 2). Appendix III provides more detailed information about these nine areas.

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

Mission	Area	Page
Defense	21. **Privatized Housing Payments:** DOD could potentially save **millions of dollars annually** by revising its calculations so that payments to privatized housing projects are based on national average rates; these payments were designed to offset the loss of revenue caused by DOD's reduction to the housing allowance it pays servicemembers.	63
Energy	22. **DOE Improper Payments:** Performing recovery audits at selected sites could help the Department of Energy identify and recover **millions of dollars** in improper payments.	65
	23. **Cost Savings Programs at NNSA Sites:** Implementing cost savings programs at the National Nuclear Security Administration's sites could save **hundreds of millions of dollars over approximately a 5-year period**.	67
General Government	24. **IRS Taxpayer Service:** The Internal Revenue Service should better serve taxpayers with limited-English proficiency, increase electronic filing of business tax returns, and reduce costs, such as overtime, which could save the agency **millions of dollars annually** and potentially enhance revenue.	69
	25. **Schools and Libraries Program Fraud Risks:** The Federal Communications Commission's implementation of leading fraud risk management practices in its Schools and Libraries program could help mitigate persistent fraud risks and help achieve potential cost savings associated with millions of dollars of overpayments.	71
Health	26. **Medicaid Financial Management Reviews:** The Centers for Medicare & Medicaid Services should develop and implement time frames to ensure the timely completion of its financial management reviews, which could lead to the recovery of at least **$149 million**.	73
Homeland Security/Law Enforcement	27. **Coast Guard Vessel Documentation User Fees:** The U.S. Coast Guard could potentially save **millions of dollars** by evaluating the full costs for processing applications for vessel documentation and, if necessary, updating its user fees to reflect the full costs, thereby reducing reliance on general fund appropriations.	75
	28. **Bureau of Prisons Staffing:** The Bureau of Prisons should identify the safety and security risks associated with its increasing use of overtime to staff, inmates, and its institutions, and address these risks as appropriate, potentially saving **millions of dollars**.	77
Information Technology	29. **Federal Agencies' Telecommunication Transition Planning Practices:** Federal agencies could save **tens of millions of dollars** on telecommunications by analyzing their requirements to help identify areas that could be optimized and services that could be shared across agencies.	79

Source: GAO. | GAO-21-455SP

In addition to the 29 new areas, we identified 10 new actions related to four existing areas presented in our 2011 to 2020 annual reports (see table 3). Appendix IV provides more detailed information about these new actions.

Table 3: New Actions Added to Existing Areas in 2021

Mission	New action (area name links to Action Tracker)	Year introduced (year links to report)	Page
Defense	• Prepositioning Programs: In March 2021, GAO identified a new action to help the Department of Defense improve oversight of the military services' prepositioning programs and reduce potential duplication and fragmentation.	2011	82
	• Weapon Systems Acquisition Programs: In October 2020, GAO identified one new action for the Army to make informed decisions related to weapon systems modernization to better manage fragmentation involving certain agreements for prototype projects.	2011	82
General Government	• Department of Transportation Operational Improvements: In August 2020, GAO identified two new actions that the Department of Transportation can take to improve internal collaboration, and the reliability of information related to the department's research activities.	2018	83
Information Technology	• Federal Data Centers: In March 2020, GAO identified two new actions to help the Office of Management and Budget improve data center consolidation and optimization reporting. GAO also identified four new actions to help federal agencies meet data center cost savings and optimization goals, which could result in **hundreds of millions of dollars** in savings.	2011	84

Source: GAO. | GAO-21-455SP

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

Congress and executive branch agencies have made progress toward addressing actions that we have identified since 2011. For example, in 2020, Congress passed and the President signed into law legislation rescinding part of the Advanced Technology Vehicles Manufacturing (ATVM) program's remaining credit subsidy appropriations, as we had suggested in April 2014. Specifically, the Consolidated Appropriations Act, 2021 rescinded about $1.9 billion of the ATVM program's remaining $4.3 billion in credit subsidy appropriations.[8] Congress now has the opportunity to appropriate the funds for other priorities.

Further steps by Congress and executive branch agencies are needed to fully address open actions that could yield significant financial benefits, as shown in table 4. Specifically, Congress and executive branch agencies

[8]Pub. L. No. 116-260, 134 Stat. 1182, 1367 (2020); see also GAO, *2014 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-14-343SP (Washington, D.C.: Apr. 8, 2014) and the online *Action Tracker*.

could realize potential financial benefits ranging from millions of dollars to tens of billions of dollars.[9]

In addition, reducing the gap between taxes owed and those paid—which IRS estimated as approximately $381 billion a year, on average, for tax years 2011-2013—could increase tax revenues by billions of dollars annually. This could include (1) expanding third-party reporting, as discussed below, or by providing IRS with authority—with appropriate safeguards—to correct math errors and to correct errors in cases where information provided by the taxpayer does not match information in government databases and (2) establishing requirements for paid tax return preparers to help improve the accuracy of tax returns they prepare.[10]

Table 4: Examples of Areas with Open Actions with Potential Financial Benefits of $1 Billion or More

Area name and description (year-number links to Action Tracker)	**Mission**	**Potential financial benefits**[a] (Source)
***DOE's Treatment of Hanford's Low-Activity Waste** (2018-17): The Department of Energy may be able to reduce certain risks by adopting alternative approaches to treating a portion of its low-activity radioactive waste. (GAO-17-306)	Energy	**Tens of billions** (GAO)
***Medicaid Demonstration Waivers** (2014-21): Federal spending on Medicaid demonstrations could be reduced if the Department of Health and Human Services was required to improve the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations. (GAO-13-384)	Health	**Tens of billions** (Centers for Medicare & Medicaid Services, GAO)
***Disability and Unemployment Benefits** (2014-08): Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period. (GAO-12-764)	Income Security	**$2.2 billion over 10 years** (Office of Management and Budget)
Federal Shared Services (2019-05): The Office of Management and Budget and the General Services Administration could better position themselves to achieve their cost savings goals and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared service reform efforts. (GAO-19-94)	General Government	**$2 billion over 10 years** (Office of Management and Budget)

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

[10]GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: Mar. 2, 2021).

Area name and description (year-number links to Action Tracker)	**Mission**	**Potential financial benefits**[a] (Source)
Student Loan Income-Driven Repayment Plans (2020-29): The Department of Education should improve verification of borrowers' income and family size information on Income-Driven Repayment plans to safeguard the hundreds of billions of dollars in federal investment in student loans. (GAO-19-347)	Training, Employment, and Education	**More than $2 billion over 10 years** (Congressional Budget Office)
***Tobacco Taxes** (2013-31): By modifying tobacco tax rates to eliminate tax differentials between similar tobacco products Congress could reduce federal revenue losses from substitution. These losses were as much as $2.5 to $3.9 billion between April 2009 and September 2018. For example, if the pipe tobacco tax rate was equal to the higher rate for similar products, it could increase revenues by an estimated $1.3 billion between fiscal year 2019 and fiscal year 2023 (GAO-19-467, GAO-14-811T, GAO-12-475)	International Affairs	**$1.3 billion** (GAO)
Federal Payments for Hospital Uncompensated Care (2017-25): The Administrator of the Centers for Medicare & Medicaid Services should account for Medicaid payments a hospital has received that offset uncompensated care costs when determining hospital uncompensated care costs for the purposes of making Medicare Uncompensated Care payments to individual hospitals. (GAO-16-568)	Health	**More than $1 billion annually** (GAO)
***Medicare Payments by Place of Service** (2016-30): Medicare could have cost savings if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed. (GAO-16-189)	Health	**Billions annually** (GAO)
***Internal Revenue Service Enforcement Efforts** (2012-44): Enhancing the Internal Revenue Service enforcement and service capabilities can help reduce the tax gap between taxes owed and paid by collecting billions in tax revenue and facilitating voluntary compliance. This could include expanding third-party information reporting. For example, reporting could be required for certain payments that rental real estate owners make to service providers, such as contractors who perform repairs on their rental properties, and for payments that businesses make to corporations for services. (GAO-08-956, GAO-09-238, GAO-11-493, GAO-12-176)	General Government	**Billions** (GAO)
Information Technology Investment Portfolio Management (2014-24): The Office of Management and Budget and multiple agencies could help the federal government realize cost savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information technology investments. (GAO-14-65, GAO-16-511)	Information Technology	**Billions** (GAO)
Department of Energy Environmental Liability (2019-20): The Department of Energy could develop a program-wide strategy to improve decision-making on cleaning up radioactive and hazardous waste. (GAO-19-28)	Energy	**Billions** (GAO)
Medicare Advantage Payment (2012-45): The Centers for Medicare & Medicaid Services could realize cost savings by better adjusting for differences between Medicare Advantage plans and traditional Medicare providers in the reporting of beneficiary diagnoses. (GAO-12-51)	Health	**Billions** (GAO, MedPAC)
Navy Shipbuilding (2017-18): The Navy could achieve cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained. (GAO-20-2, GAO-17-211, GAO-16-71)	Defense	**Billions** (GAO)

Area name and description (year-number links to Action Tracker)	Mission	Potential financial benefits[a] (Source)
Tax Expenditures (2011-17): Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses. (GAO-16-622, GAO-15-83, GAO-05-690)	General Government	**Billions** (GAO)

Legend: * = Legislation is likely to be necessary to fully address all actions in this area.

Source: GAO. | GAO-21-455SP

Note: The potential financial benefits shown in this table represent estimates of amounts GAO or others believe could accrue if steps are taken to implement the actions described. All estimates of potential savings are dependent on various factors, such as whether action is taken and how it is taken. Actual savings may be less, depending on costs associated with implementing the action, unintended consequences, and the effect of controlling for other factors. The individual estimates in this table should be compared with caution, as they come from a variety of sources, which consider different time periods and use different data sources, assumptions, and methodologies.

[a]GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of savings. Notional estimates have been developed using broad assumptions about potential savings, which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential savings. GAO generally determines the notional labels (millions, tens of millions, hundreds of millions, etc.) using a risk-based approach that takes into account factors, such as the possible minimum and maximum values of the cost savings estimate (where available), the quality of the data underlying those values, the certainty of those values, and the rigor of the estimation method used.

This report was prepared under the coordination of Jessica Lucas-Judy, Director, Strategic Issues, who may be reached at (202) 512-6806 or lucasjudyj@gao.gov, and Michelle Sager, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or sagerm@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

List of Congressional Addressees

The Honorable Patrick Leahy
Chairman
The Honorable Richard Shelby
Vice Chairman
Committee on Appropriations
United States Senate

The Honorable Bernie Sanders
Chairman
The Honorable Lindsey Graham
Ranking Member
Committee on the Budget
United States Senate

The Honorable Gary C. Peters
Chairman
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Committee on Homeland Security and Governmental Affairs
United States Senate

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Committee on Appropriations
House of Representatives

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Chairwoman
The Honorable James Comer
Ranking Member
Committee on Oversight and Reform
House of Representatives

The Honorable Mark R. Warner
United States Senate

Appendix I: Objectives, Scope, and Methodology

Section 21 of Public Law 111-139, enacted in February 2010, requires us to conduct routine investigations to identify federal programs, agencies, offices, and initiatives with duplicative goals and activities within departments and government-wide.[1] This provision also requires us to report annually to Congress on our 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; and (2) assess to what extent Congress and executive branch agencies made progress on selected actions we identified in our 2011-2020 annual reports with potential cost savings and revenue enhancements of $1 billion or more across the federal government.

For the purposes of our analysis, we used the term "fragmentation" to refer to 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. 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.[2] While fragmentation, overlap, and duplication are associated with a range of potential costs and benefits, we include them in this report only if there may be opportunities to improve how the government delivers these services.

This report presents 20 new areas of fragmentation, overlap, or duplication where greater efficiencies or effectiveness in providing government services may be achievable. The report also highlights nine other new opportunities for potential cost savings or revenue enhancements. In addition to these 29 new areas, we identified 10 new

[1]Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

[2]We recognize that there could be instances where some degree of program fragmentation, overlap, or duplication may be warranted because of the nature or magnitude of the federal effort.

actions related to four existing areas presented in our 2011 to 2020 annual reports.[3]

To identify what actions, if any, exist to address fragmentation, overlap, and duplication and that take advantage of opportunities for cost savings and enhanced revenues, we reviewed and updated our prior work and recommendations to identify what additional actions Congress may wish to consider and agencies may need to take. For example, we used our prior work that identified leading practices that could help agencies address challenges associated with interagency coordination and collaboration and with evaluating performance and results in achieving efficiencies.[4]

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 these actions was not possible in some cases because information about the extent and impact of fragmentation, overlap, and duplication among certain programs was not available.

[3]The 112 new actions do not include 11 actions in six new areas that agencies addressed before this report was issued. Specifically, the Food and Drug Administration and the U.S. Department of Agriculture addressed two actions related to the Cell-Cultured Meat Oversight new area (2021-01); the Internal Revenue Service and the Social Security Administration addressed four actions related to the Employment-Related Identity Fraud new area (2021-07); and the Department of Veterans Affairs' (VA) Veterans Health Administration addressed two actions related to the VA Graduate Medical Education Reimbursement new area (2021-14). Further, three of these six areas were not included in table 1 or table 2, since the agencies addressed all actions in the area before this report was issued. The Transportation Security Administration addressed one action related to the Passenger Rail Security new area (2021-30); the Department of State addressed the one action related to the Rule of Law new area (2021-31), and the U.S. Customs and Border Patrol addressed the one action related to the Streamlining Intellectual Property Rights Enforcement new area (2021-32). As such, we have added these actions to the *Action Tracker* with a status of "addressed." More information on all 11 actions is available in the *Action Tracker*.

[4]See, for example, GAO, *Managing for Results: Practices for Effective Agency Strategic Reviews*, GAO-15-602 (Washington, D.C.: July 29, 2015); and *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012). Additional information on GAO's work on the GPRA Modernization Act of 2010 (GPRAMA) can be found at https://www.gao.gov/leading-practices-managing-results-government and information on GAO's work on best and leading practices in collaboration can be found at https://www.gao.gov/leading-practices-collaboration-across-governments%2C-nonprofits%2C-and-private-sector.

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. In addition, the needed information was not readily available on, among other things, program performance, the level of funding devoted to duplicative programs, or the implementation costs and time frames that might be associated with program consolidations or terminations. We used partial data and conservative assumptions to provide rough estimates of the magnitude of potential savings when more precise estimates were not possible.

Appendix V 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 they are used in our products. We 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 we may 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 new area in this report, specific information on data reliability is located in the related products.

We provided drafts of our new area summaries to the relevant agencies for their review and incorporated these comments as appropriate.

Assessing the Status of Selected Previously Identified Actions

We reviewed areas we previously identified in our 2011-2020 annual reports and identified 21 areas that have estimated potential financial benefits of $1 billion or more at either the area level, action level, or both, as of March 2020. We did not assess the other 405 open actions, which we will assess and report on in our next update. We then examined the extent to which Congress and executive branch agencies have made progress in implementing the selected actions we identified that contributed to the potential cost savings and revenue enhancement of $1 billion or more. We then reviewed relevant legislation and agency documents such as budgets, policies, strategic and implementation plans, guidance, and other information between April 2020 and March 2021 for evidence of progress in implementing these actions.

We also analyzed, to the extent possible, whether 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. Throughout this report, we present our counts as of March 2021 because that is when we received our last updates. The progress statements and updates are published on GAO's *Action Tracker*.

We used the following criteria in assessing the status of actions:[5]

- 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 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.

  Actions suggested for Congress may also move to "addressed" or "partially addressed" with or without relevant legislation if an executive branch agency takes steps that address all or part of the action

[5]Since 2011, we have categorized 80 actions as "other" and are no longer assessing these actions. We categorized 48 "other" actions as "consolidated or other." In most cases, "consolidated or other" actions were replaced or subsumed by new actions based on additional audit work or other relevant information. We also categorized 32 of the "other" actions as "closed-not addressed." Actions are generally "closed-not addressed" when the action is no longer relevant because of changing circumstances.

needed. 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.

Methodology for Generating Financial Benefits Estimates

To calculate potential financial benefits from (1) new actions identified for inclusion in the 2021 report and (2) selected actions we identified in our 2011-2020 annual reports with potential cost savings and revenue enhancement of $1 billion that are not fully addressed, we collected and analyzed data on costs and potential savings to the extent they were available and linked supporting documentation to those estimates. Each estimate was reviewed by one of our technical specialists to ensure that estimates were based on reasonably sound methodologies.

The financial benefits estimates came from a variety of sources, including our analysis, Congressional Budget Office estimates, individual agencies, and others, and use different time frames, underlying assumptions, data quality, and methodologies among these individual estimates. Our potential financial benefits estimates represent a rough estimate of financial benefits, rather than an exact total.

For actions that have already been taken, individual estimates of realized financial benefits covered a range of time periods stretching from 2010 through 2029. 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 2019 and those expected to accrue between 2020 and 2029. For individual estimates that span both periods, we assumed that financial benefits were distributed evenly over the period of the estimate. For each category, we summed the individual estimates 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.

There is a higher level of uncertainty for estimates of potential financial benefits that could accrue from actions not yet taken because these estimates are dependent on whether, how, and when agencies and Congress take our recommended actions, or due to a lack of sufficiently detailed data to make reliable forecasts. As a result, many estimates of potential savings are notionally stated using terms, such as millions, tens of millions, or billions, to demonstrate a rough magnitude without providing a more precise estimate. Further, many of these estimates are not tied to specific time frames for the same reason. To calculate a total for potential savings, with a conservative approach, we used the minimum number associated with each term.[6] To account for the increased uncertainty of potential estimates and the imprecision resulting from differences among individual estimates, we calculated potential financial benefits in March 2020 to the nearest $10 billion, rounded down, and presented our results using a notional term.[7]

This report is based upon work we 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.

[6]For example, if we had stated that an agency could potentially save "hundreds of millions," we would use $100 million as part of our calculation of the total.

[7]GAO, *2020 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits*, GAO-20-440SP (Washington, D.C.: May 19, 2020).

Appendix II: New Areas in Which GAO Has Identified Fragmentation, Overlap, or Duplication

This appendix presents 20 new areas in which we found evidence of fragmentation, overlap, or duplication among federal government programs.

1. Cell-Cultured Meat Oversight

The Food and Drug Administration and U.S. Department of Agriculture should improve coordination to better manage fragmentation and overlap and strengthen oversight of cell-cultured meat.

Source: USDA and PhotoDisc. | GAO-21-455SP

Potential Benefit

More effective regulatory oversight

Implementing Entity

Food and Drug Administration and U.S. Department of Agriculture

Link to Actions

GAO identified six actions for FDA and USDA to take to improve their oversight of cell-cultured meat. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-325

Contact Information

Steve Morris at (202) 512-3841 or morriss@gao.gov

Multiple firms have produced cell-cultured meat—food products grown from the cells of livestock, poultry, and seafood—as part of their research and development. Although cell-cultured meat was not available to consumers in the U.S. as of December 2020, some of these firms reported that their products likely would enter the U.S. marketplace within coming years. The potential introduction of cell-cultured meat into the nation's food supply has raised questions about its safety and the federal oversight of this new product.

In April 2020, GAO reported that the Food and Drug Administration (FDA), which is a part of the Department of Health and Human Services, and U.S. Department of Agriculture (USDA) had begun collaborating on regulatory oversight of cell-cultured meat. In 2019, the agencies signed an interagency agreement and created three working groups to carry out the terms of the agreement. However, the agencies' agreement to share oversight for cell-cultured meat raised concerns about potential fragmentation and overlap.

The agreement and working groups could have more fully incorporated leading practices for interagency coordination to enhance and sustain collaboration, such as defining outcomes. For example, the agreement identified the development of labeling principles as an outcome, but it did not describe how the agencies would track and monitor progress toward this outcome, and the working groups identified a lead agency but not members' roles.

GAO recommended that FDA and USDA more fully incorporate leading practices for effective collaboration in the agencies' interagency agreement for joint oversight of cell-cultured meat. FDA and USDA partially concurred and indicated a willingness to incorporate these practices in a more detailed agreement, which would also address the purpose of GAO's recommendation. The agencies also agreed with GAO's recommendation to more fully incorporate the seven leading practices for effective collaboration in the three cell-cultured meat working groups as they move forward.

In October 2020, the agencies implemented two of the six recommendations related to publicly clarifying that FDA will oversee cell-cultured seafood other than catfish (i.e., fish of the order Siluriformes).

By more fully incorporating leading practices for interagency coordination, such as clarifying participants' roles and responsibilities, the agencies could better manage overlap and fragmentation and strengthen oversight of cell-cultured meat.

Table 5 in appendix V provides additional information on offices involved in this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Food Safety: FDA and USDA Could Strengthen Existing Efforts to Prepare for Oversight of Cell-Cultured Meat. GAO-20-325. Washington, D.C.: April 7, 2020.

2. Dependency Determination Policy for Incapacitated Adult Children of Servicemembers

The Department of Defense could help reduce and better manage fragmentation in processing dependency determination applications for incapacitated adult children to enhance the equitable treatment of military families.

Source: Department of Defense/Helene C. Stikkel. I GAO-21-455SP

Potential Benefit

Consistent implementation of medical and financial determination standards

Implementing Entity

Department of Defense

Link to Actions

GAO identified one action for DOD to revise policy and establish consistent standards. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-335

Contact Information

Brenda S. Farrell at (202) 512-3604 or FarrellB@gao.gov

Children of active-duty and retired servicemembers are entitled to health benefits generally until age 21. Military families with incapacitated adult children face unique challenges and burdens, including the potential to affect servicemember readiness. Servicemembers with incapacitated adult children are required to complete a secondary dependency determination application to seek the continuation of these benefits after age 21. In 2018, approximately 31,000 incapacitated adult child dependents were enrolled for benefits.

To be considered eligible to receive benefits after age 21, Department of Defense (DOD) policy requires that adult children must be (1) unmarried, (2) incapable of self-support because of mental or physical incapacity, and (3) dependent on the military sponsor for more than 50 percent of their financial support. Once incapacitated adult child dependency is established, servicemembers must submit an application for redetermination at least every 4 years.

In June 2020, GAO found that DOD's policy provides limited guidance and inconsistent medical standards, resulting in the military services developing fragmented approaches for processing applications. For example, the policy provides limited information for making financial support determinations.

As a result, the Defense Finance and Accounting Service (which processes applications for the Army and the Air Force), the Navy, and the Marine Corps use different formulas to calculate eligible expenses and to assign portions (or shares) of household expenses, resulting in outcomes that vary among the military services. To make financial determinations, families report total household expenses, and the incapacitated adult child's personal expenses and gross income for the previous 12 months.

The Defense Finance and Accounting Service and the Navy assign adults two shares of the household expenses, and minor children one share. However, incapacitated adult children are assigned only one share.

In contrast, Marine Corps officials told GAO that they assign all adults in the household, including incapacitated adult children, two shares of household expenses, and minor children one share. As a result, in a household consisting of two parents and an incapacitated adult child, the Defense Finance and Accounting Service and the Navy would count 20 percent of the total household expenses toward the incapacitated adult child's expenses, while the Marine Corps would count 33 percent of the household expenses toward the incapacitated adult child's expenses.

GAO also found inconsistent standards for making medical determinations. For example, the policy states that Navy and Marine Corps members must provide a description of the child's current treatment regimen and detailed medical information, while Army and Air Force members do not have these same requirements. This results in a fragmented approach to medical determinations. Failure to provide the additional specific information required by the Navy and the Marine Corps could result in a disapproval for those members.

In June 2020, GAO recommended that DOD revise its joint policy, which governs dependency determinations, to provide detailed guidance for financial determinations and to establish consistent medical standards for all of the military services to use in determining the dependency status of incapacitated adult children.

DOD concurred with GAO's recommendation. As of March 2021, DOD stated that it is taking steps to address GAO's recommendation, including that it will publish a policy memorandum to establish detailed guidance for financial determinations and consistent medical documentation for use in determining the dependency status of incapacitated adult children.

Providing detailed, specific guidance for financial determinations, and establishing consistent medical standards would better enable consistent implementation of DOD-directed policy to enhance the equitable treatment of all military families and better align outcomes to servicemember and military service expectations. The implementation of this recommendation may lead to an increase or decrease in approved dependency applications.

Table 6 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. In its comments, DOD stated it is taking steps to establish recommended guidance, as reflected above.

Related GAO Product

Department of Defense: Actions Needed to Improve Management and Oversight of Dependency Determinations for Incapacitated Adult Children. GAO-20-335. Washington, D.C.: June 17, 2020.

3. DOD Real Property Records

The Department of Defense should take steps to better manage fragmentation in the processes used by its components to establish and maintain reliable real property records by developing a department-wide strategy to address control issues and perform real property existence and completeness verifications.

Source: Department of Defense/Helene C. Stikkel. | GAO-21-455SP

Potential Benefit

Accurate and complete real property records and auditable financial information

Implementing Entity

Department of Defense

Link to Actions

GAO identified two actions to improve the reliability of DOD's real property records. See GAO's *Action Tracker.*

Related GAO Product

GAO-20-615

Contact Information

Kristen A. Kociolek at (202) 512-2989 or kociolekk@gao.gov

The Department of Defense (DOD) manages more than 603,000 real property assets, one of the largest portfolios of real property within the federal government. Military bases make up the largest share of DOD's real property. DOD's real property includes land, buildings, and linear structures (e.g., roads, pipelines, and electrical distribution lines). This infrastructure is critical for maintaining military readiness. The cost to build and maintain it represents a significant financial commitment.

As of the end of fiscal year 2020, the combined reported replacement value of DOD's real property portfolio was $1.4 trillion. The military services (Air Force, Army, Marine Corps, and Navy) and the Washington Headquarters Services have jurisdiction over and manage DOD's real property assets. Each military service has developed processes for establishing and maintaining real property records.

In September 2020, GAO reported that as part of the annual financial statement audits, the independent public accountants for each military service found serious control issues related to events that occur during the real property life cycle consisting of adding, disposing, reconciling, valuing, and performing physical inventory counts of real property assets.

These control issues affect not only the reliability of financial statement reporting but also the quality of real property record data that DOD officials need to make informed decisions for budget and mission planning, space management, and buying versus leasing options. With DOD managing almost half of the government's buildings, better data could help the federal government identify opportunities to dispose of unneeded buildings and reduce lease costs, thus potentially saving millions of dollars.

DOD has not developed a comprehensive, department-wide strategy to address the reported real property record data issues. Instead, each military service is independently developing corrective actions to address control issues without applying common solutions among the services or department-wide.

In a February 2019 memorandum, the Acting Secretary, noting that the services had not accurately accounted for DOD's buildings and structures, required existence and completeness verifications to be performed for all real property for fiscal year 2019.

Given the lack of department-wide instructions for how to carry out the requirement, the military services independently developed different approaches for performing the verifications. Consequently, the results of the verifications were not comparable across the military services and DOD did not obtain the complete and consistent information needed to help ensure that the department's real property records are reliable.

GAO recommended that DOD (1) develop and implement a DOD-wide strategy to remediate real property control issues, and (2) issue DOD-wide instructions for performing existence and completeness verifications. DOD concurred with GAO's recommendations and stated that DOD is committed to placing increased leadership emphasis on real property asset controls to ensure mission readiness, audit readiness, testing for existence and completeness, and maintaining internal controls. In its response, DOD gave examples of new systems, processes, and controls being developed which department officials think should enhance the completeness and accuracy of real property data.

DOD officials also stated that they are placing increased leadership emphasis on real property asset policies and instructions to ensure, among other things, that consistent and repeatable verifications are performed.

By implementing these recommendations, DOD could better manage fragmentation in the processes used by its components to establish and maintain reliable real property records. A department-wide strategy could help the military services more effectively address reported control issues and better position DOD to develop sustainable, routine processes that help ensure reliable real property records across the department.

Table 7 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

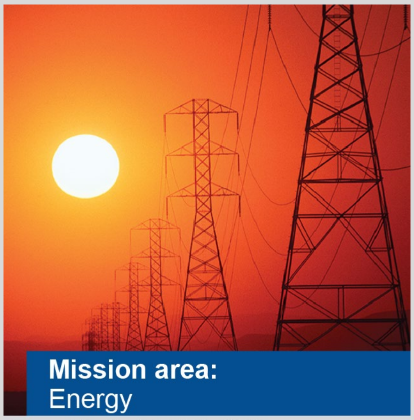
GAO provided a draft of this report section to DOD for review and comment. DOD did not provide comments on this report section.

Related GAO Product

Defense Real Property: DOD-Wide Strategy Needed to Address Control Issues and Improve Reliability of Records, GAO-20-615. Washington, D.C.: September 9, 2020.

4. Natural Gas Export Facilities

The Federal Energy Regulatory Commission should establish a process to regularly review its interagency agreements for onshore liquefied natural gas permitting and update them as needed, to better manage fragmentation in the permitting process and address any future policy changes.



Source: ©Corbis. I GAO-21-455SP

Potential Benefit

Better managed permitting process for LNG export facilities

Implementing Entity

Federal Energy Regulatory Commission

Link to Actions

GAO identified two actions for FERC to establish a process for reviewing interagency agreements. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-619

Contact Information

Frank Rusco at (202) 512-3841 or ruscof@gao.gov

In 2012, the U.S. became the largest natural gas producer in the world. As production has increased, exports of natural gas have also increased. Production is expected to continue increasing until 2030, primarily to support growing U.S. exports of natural gas to global markets. In 2019, about 39 percent of natural gas exports were transported by ship as liquefied natural gas (LNG). Natural gas is liquefied by being cooled and condensed, allowing greater volumes to be shipped. LNG export facilities located on land or in state waters are referred to as "onshore facilities."

Processes for liquefying and transporting natural gas pose safety and environmental risks. To construct and operate an LNG export facility, applicants are required to obtain a permit from the federal government and must also meet federal regulations that set minimum safety and technical standards.

The Federal Energy Regulatory Commission (FERC) is responsible for reviewing applications and ultimately permitting the construction and operation of onshore LNG export facilities. FERC coordinates with several other federal agencies such as the U.S. Coast Guard, referred to as cooperating agencies, to conduct environmental reviews and ensure that the facilities meet the statutory and regulatory requirements of those agencies.

In August 2020, GAO found that FERC does not regularly review and update its written guidance and agreements with cooperating agencies, as called for by key practices for effective collaboration. FERC's 2002 and 2004 interagency agreements related to LNG facility permitting have not been updated and do not reflect changes in the permitting process for onshore facilities that have been implemented since 2004. According to a FERC official, as of February 2021, these agreements are still being followed and have not been replaced or updated.

For example, the agreements do not discuss the role of the Federal Permitting Improvement Steering Council, an interagency council established in 2015 and tasked with, among other things, facilitating the coordination of environmental review and authorization decisions for certain major infrastructure projects. Without updated agreements, FERC cannot ensure recent changes to its permitting process are clearly understood and implemented consistently by cooperating agencies.

Additionally, FERC does not have a process to regularly review and update these written agreements in cooperation with other agencies.

According to agency officials, FERC generally takes an ad hoc approach to updating its written agreements.

GAO recommended that FERC (1) include cooperating agencies to review its interagency agreements that pertain to the onshore LNG export facility permitting process and implement any needed updates, and (2) establish a process to regularly conduct such reviews and, as necessary, update the agreements. FERC generally agreed with both recommendations and said that FERC staff would develop steps to implement the recommendations.

As of March 2021, FERC indicated that it will address both of GAO's recommendations. FERC stated that it is committed to coordinating with federal agencies that are signatories of existing interagency agreements pertaining to LNG permitting and updating these agreements to ensure they are current. Moving forward, FERC will include existing interagency agreements in its biennial regulatory review.

Reviewing and, if necessary, updating its interagency agreements would help FERC manage fragmentation and improve the permitting process. Additionally, establishing a process to regularly conduct such reviews would help FERC address any future policy changes.

Table 8 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to FERC for review and comment. FERC provided technical comments, which GAO incorporated.

Related GAO Product

Natural Gas Exports: Updated Guidance and Regulations Could Improve Facility Permitting Processes. GAO-20-619. Washington, D.C.: August 6, 2020.

5. Arctic Maritime Infrastructure

The appropriate entities within the Executive Office of the President, including the Office of Science and Technology Policy, should issue a strategy and designate interagency leadership to better manage fragmentation of agencies' efforts to address maritime infrastructure in the increasingly navigable Arctic.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Better coordination and increased effectiveness of agencies' efforts to address maritime infrastructure gaps in the U.S. Arctic

Implementing Entity

The Office of Science and Technology Policy within the Executive Office of the President

Link to Actions

GAO identified two actions for OSTP to better achieve government-wide priorities in the U.S. Arctic. See GAO's *Action Tracker.*

Related GAO Product

GAO-20-460

Contact Information

Andrew Von Ah at (202) 512-2834 or vonah@gao.gov

Due to the effects of climate change, Arctic sea ice has diminished, lengthening the navigation season and increasing opportunities for maritime shipping. For example, the number of vessels in the U.S. Arctic doubled from fewer than 150 in 2009 to more than 300 in 2019. However, the U.S. Arctic lacks maritime infrastructure to support increased traffic.

The lack of infrastructure exacerbates inherent challenges to shipping in the Arctic—such as vast distances, dangerous weather, and extreme ice conditions—that can pose safety risks to mariners and environmental risks to the fragile ecosystem. Many federal agencies have a role in U.S. Arctic maritime shipping and infrastructure, including the U.S. Coast Guard and National Oceanic and Atmospheric Administration (NOAA).

Figure 2: Commercial Ship Navigating Arctic Waters

Source: Shipping company Fednav Limited. | GAO-21-455SP

In April 2020, GAO found that although agencies had taken steps to address maritime infrastructure gaps, federal efforts lacked a current strategy and interagency leadership. Agency actions included the U.S. Coast Guard developing recommended shipping routes and NOAA continuing to chart Arctic waters and improve weather forecasting.

Actions in other areas, such as communications—which stakeholders identified as a key Arctic infrastructure gap—require government-wide effort and partnerships across agencies, according to U.S. Coast Guard officials. However, priorities in the U.S. Arctic are based on each agency's mission. Although several agencies have updated their Arctic strategies, such as the U.S. Coast Guard and U.S. Navy in 2019, these strategies are agency specific and not linked to a government-wide strategy for the region or focused on addressing Arctic maritime infrastructure gaps.

To guide federal efforts, the White House developed a *National Strategy for the Arctic Region* in 2013 and established an interagency Arctic Executive Steering Committee in 2015. However, agency officials and stakeholders told GAO the strategy is outdated due to changing conditions in the Arctic—including for national security, which agency officials cited as a growing concern in the region. As a result, federal efforts lack a current government-wide strategy for addressing U.S. Arctic maritime infrastructure gaps that aligns with key management practices such as identifying goals, objectives, and performance measures. These practices facilitate effective targeting of federal resources, which is especially important when multiple agencies are involved.

Moreover, the White House has not designated which entity is to lead U.S. Arctic maritime infrastructure efforts. For example the steering committee is dormant according to agency officials and staff at the Office of Science and Technology Policy (OSTP) within the Executive Office of the President, which chairs the steering committee. Without an interagency collaboration mechanism designated to lead these efforts, it is unclear who has responsibility for whole-of-government efforts to address maritime infrastructure in the U.S. Arctic.

In April 2020, GAO recommended that OSTP develop and publish a strategy to address Arctic maritime infrastructure gaps and designate the interagency mechanism responsible for leading federal efforts. OSTP neither agreed nor disagreed with these recommendations. As of March 2021, OSTP officials noted that many concerns described in the 2013 strategy are still relevant and will persist for decades into the future.

Without a current strategy and designated interagency leadership, agencies may miss opportunities to leverage resources and target infrastructure improvements in areas that would best mitigate the risks of shipping in the U.S. Arctic.

Table 9 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Maritime Infrastructure: A Strategic Approach and Interagency Leadership Could Improve Federal Efforts in the U.S. Arctic. GAO-20-460. Washington, D.C.: April 29, 2020.

6. Category Management

The Office of Management and Budget should further its Category Management initiative to improve how agencies buy common goods and services by taking such actions as addressing its data management challenges and establishing additional performance metrics to help save the federal government **billions of dollars over the next 5 years**, as well as potentially eliminate duplicative contracts.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Billions of dollars over 5 years

Implementing Entity

Office of Management and Budget

Link to Actions

GAO identified five actions for OMB to increase emphasis on requirements, lead efforts to address data challenges, and improve its methodology and public reporting for duplicative contract reduction. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-40

Contact Information

Timothy DiNapoli at (202) 512-4841 or DiNapoliT@gao.gov

Category management is a government-wide initiative led by the Office of Management and Budget (OMB) that improves how agencies buy common products and services, saving the federal government billions of dollars each year. In fiscal year 2019, federal agencies obligated more than $350 billion to purchase common products and services, such as medical supplies and computers, to meet agencies' requirements. OMB reported the federal government saved $27.3 billion in fiscal years 2017–2019 through category management.

In November 2020, GAO found OMB's reported savings were mostly accurate and well documented, but those savings were reported as a cumulative government-wide figure rather than by agency. Without agency specific data, OMB will miss opportunities to demonstrate the benefits of category management to key decision makers at federal agencies and to increase support for the initiative.

OMB Memorandum M-19-13 established in March 2019 that the category management initiative is fundamentally a government-wide, data-driven decision-making process. However, GAO found that officials at federal agencies had difficulty collecting, analyzing, and sharing data on prices their agencies paid and their categories of spending, and that those challenges hindered implementation of the initiative.

GAO also found that OMB's methodology and public reporting for duplicative contract reduction—a stated goal of the initiative—overstated the impact of category management in reducing contracts, and understated the impact of contract reduction on small businesses.

Finally, GAO found that none of the six performance metrics OMB tracks for the initiative target how agencies define and standardize requirements for common products and services. These activities are critical for greater efficiency and savings according to leading category management practitioners and prior GAO work.

GAO made five recommendations that OMB should (1) report cost savings from the category management initiative by agency; (2) establish a strategic plan to coordinate agencies' responses to government-wide data challenges hindering implementation of the category management initiative, including challenges involving prices-paid and spending data; (3) improve its methodology for calculating the elimination of duplicative contracts; (4) identify the time frames covered by underlying data when reporting on how duplicative contract reductions have impacted small businesses; and (5) establish additional performance metrics that are related to agency requirements. OMB concurred with the substance of GAO's recommendations.

Implementation of these recommendations could position the category management initiative to generate even greater annual savings for taxpayers. Leading agency practitioners told GAO that government-wide solutions for the data challenges would allow agencies to do more of the data analysis required for federal category management to reach its full potential.

Further, improving how OMB measures and reports duplicative contract reduction would more accurately reflect the extent to which category management has eliminated potentially duplicative contracts and the impact of that reduction on small businesses.

Finally, leading category management practitioners at the Air Force and Department of Homeland Security told GAO that focusing more on requirements when implementing category management significantly increased cost savings at their agencies and that the government could save billions of additional dollars if other agencies did as well.

While GAO cannot precisely estimate the financial benefits from implementing actions at this time, if the improved and expanded use of category management results in even 1 percent savings on overall initiative spending, it could amount to billions of dollars in savings.

Table 10 in appendix V provides additional program and budgetary information related to this issue area.

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.

Related GAO Product

Federal Buying Power: OMB Can Further Advance Category Management Initiative by Focusing on Requirements, Data, and Training. GAO-21-40. Washington, D.C.: November 30, 2020.

7. Employment-Related Identity Fraud

The Internal Revenue Service and Social Security Administration should better manage fragmentation to identify potentially fraudulent wages, more effectively manage benefit programs, and enhance revenue.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Improved information on potentially fraudulent earnings, more effective management of benefit programs, and enhanced revenue collection

Implementing Entity

Social Security Administration and Internal Revenue Service

Link to Actions

GAO identified 10 actions. Two were for IRS to improve enforcement. Eight—four of which have since been addressed—were for SSA and IRS to develop and implement improvements in how the agencies exchange wage information. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-492

Contact Information

Jessica Lucas-Judy at (202) 512-6806 or lucasjudyj@gao.gov

Employment-related identity fraud occurs when people use a name or Social Security number other than their own to get a job. People may do this if they are not authorized to work in the U.S., or are trying to avoid child support payments, among other reasons. Employers of such fraudsters may, as a result, submit inaccurate Forms W-2, Wage and Tax Statement (W-2), to the Social Security Administration (SSA). Inaccurate earnings information poses risks to SSA's ability to correctly calculate and manage benefit payments for programs such as Social Security.

Because SSA shares earnings information with the Internal Revenue Service (IRS), inaccuracies may also lead IRS to incorrectly determine that some individuals earned wages, which they failed to report on tax returns. IRS may expend resources pursuing these individuals to collect taxes owed on the wages, only to learn that the wages were earned by fraudsters who used the individuals' identities to gain employment.

Though the true scope of employment-related identity fraud is unknown, GAO identified 1.3 million Social Security numbers that for 2016 had both (1) characteristics associated with employment-related identity fraud; and (2) wages that were not reported on a tax return.

GAO found that IRS has not addressed opportunities to expand tax enforcement activities that may deter some employment-related identity fraudsters. IRS does not follow up on individuals who potentially underwithhold taxes on wages earned under mismatching names and SSNs.

GAO further found opportunities for SSA and IRS to improve Combined Annual Wage Reporting (CAWR) processes where the agencies share wage information with one another, including information on wages determined to be inaccurate. For example, GAO found that while SSA and IRS developed ways to operate across agency boundaries, the agencies lacked sufficient common terminology related to the CAWR process and identity fraud.

GAO made six recommendations that have not yet been fully addressed. Two were for IRS to (1) assess the costs and benefits of expanding its Withholding Compliance Program, and (2) include identity theft victims in wage discrepancy checks. Two recommendations were to SSA and two to IRS to each (1) establish goals and performance measures, and (2) clearly define the data elements in the wage information exchange.

SSA agreed with GAO's recommendations. IRS did not agree with the two compliance recommendations. Specifically, IRS said expanding the

Withholding Compliance Program would not be effective, but did not provide GAO with data on costs and benefits. IRS also said that due to limited resources and competing priorities it cannot commit to updating wage discrepancy checks. GAO maintains that IRS should make such updates when feasible. IRS agreed with the recommendation related to goals and performance measures. IRS neither agreed nor disagreed with the recommendation to clearly define data elements. IRS has taken steps to address this recommendation but has not yet worked with SSA to define all codes used by SSA.

Until SSA and IRS implement these remaining recommendations, the agencies will miss opportunities to more effectively use wage information to identify potentially fraudulent or inaccurate earnings. Further, improved detection of inaccurate earnings could enable SSA to more effectively manage its benefits programs and IRS to collect additional revenue.

GAO cannot precisely estimate the extent to which these actions will affect future tax revenue or benefit payments in part because GAO does not know the extent to which IRS and SSA would leverage improved capabilities given resource constraints and other factors.

GAO also made two recommendations to both SSA and IRS to each (1) improve collaboration processes by documenting a plan for future updates to the CAWR Memorandum of Understanding, and (2) document a strategy for completing required assurance reviews within specified time frames. The agencies have fully addressed these recommendations.

Table 11 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SSA and IRS for review and comment. SSA did not provide comments on this report section. IRS stated that IRS and SSA have defined the data elements SSA uses. However, these definitions do not include, for example, information about why SSA determined a W-2 to be inaccurate. Without clear definitions, the agencies are at risk of missing opportunities to use data to more effectively identify fraudulent or otherwise inaccurate W-2s.

Related GAO Product

Employment-Related Identity Fraud: Improved Collaboration and Other Actions Would Help IRS and SSA Address Risks. GAO-20-492. Washington, D.C.: May 6, 2020.

8. Procurement Technical Assistance to Small Businesses

The Department of Defense should work with the Small Business Administration to formalize a collaborative agreement on client services for government contracting to help better manage overlap in the assistance provided.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Providing better coordinated government contracting assistance to small businesses

Implementing Entity

Department of Defense

Link to Actions

GAO identified one action for DOD's Defense Logistics Agency to improve collaboration with SBA in providing government contracting assistance to small businesses. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-287

Contact Information

William B. Shear at (202) 512-8678 or shearw@gao.gov

The Department of Defense (DOD) and the Small Business Administration (SBA) both have programs that offer services related to government contracting.

Under DOD's program, Procurement Technical Assistance Centers (PTAC) help businesses of all sizes pursue and perform government contracts. In 2020, PTACs assisted more than 57,000 clients and PTAC clients won more than 327,000 government contracts and subcontracts valued at about $24.2 billion.

Under SBA's program, Small Business Development Centers (SBDC) provide advice and technical assistance to small businesses, including on government contracting. In 2019, SBDCs reported that they served more than 250,000 clients and their training and counseling resulted in more than 17,000 new businesses started.

PTACs tend to narrowly focus on helping businesses pursue government contracts, while SBDCs focus on a range of broader topics.

While PTACs and SBDCs each have a different focus, both can cover topics related to contracting, both often work out of the same facilities (about 30 percent of PTACs are co-located with an SBDC), and they may share some clients. SBDCs also are directed to work with PTACs when providing government contracting assistance to small businesses.

In March 2021, GAO found that both DOD and SBA had not documented how PTACs and SBDCs should collaborate, leading to potential overlap in the assistance provided. While overlap between PTACs and SBDCs could lead to positive effects for businesses, such as providing more ways for businesses to access government contracting advice, there are also potential negative effects for both businesses and PTACs and SBDCs.

For example, SBDC counselors, unlike PTAC counselors, are not required to take training related to government contracting. This could lead to SBDCs' advice to businesses being less accurate than the advice they would receive from PTACs. Additionally, without better collaboration, services provided by co-located PTACs and SBDCs may be double-counted when the centers report program accomplishments.

According to DOD, collaboration with SBA has been limited to the potential comingling of funds at co-located PTACs and SBDCs. According to SBA, individual SBDCs have already established relationships at the local level with PTACs that reflect the requirements and needs of their service areas.

While there is no formal agreement between DOD and SBA, the two agencies formed a working group in December 2020 to improve collaboration between PTACs and SBDCs, which offers an opportunity for the two agencies to develop a formal agreement.

To better manage overlap and facilitate greater collaboration, GAO recommended in March 2021 that DOD work with SBA to formalize a collaborative agreement for PTACs and SBDCs in relation to providing client services on government contracting. DOD agreed with the recommendation, and SBA did not have any comments.

By formalizing programmatic collaboration, DOD and SBA could help ensure clients receive advice from counselors with training on government contracting, reduce potential double-counting of services at co-located PTACs and SBDCs, and clarify the responsibilities of employees that work at co-located centers.

Table 12 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Procurement Technical Assistance Program: Opportunities Exist for DOD to Enhance Training and Collaboration. GAO-21-287. Washington, D.C.: March 31, 2021.

9. Publicly Available Federal Real Property Data

The General Services Administration should coordinate with federal agencies to improve the accuracy of the Federal Real Property Profile database by better managing fragmentation.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Greater reliability of federal real property data

Implementing Entity

General Services Administration

Link to Actions

GAO identified one action to GSA to improve the accuracy of street address information. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-135

Contact Information

David Trimble at (202) 512-2834 or trimbled@gao.gov

The lack of reliable data on federal real property assets, like buildings or land, is one of the main reasons that management of the federal government's real property portfolio, referred to as Federal Real Property Management, remains on GAO's high-risk list—a list of federal programs with greater vulnerabilities to waste, fraud, abuse, and mismanagement, or that need broad reform.

Section 21 of the Federal Assets Sale and Transfer Act of 2016 required the General Services Administration (GSA) to publish a single, comprehensive, and descriptive database of federal real property under the custody and control of executive agencies (except for property excluded for national security reasons) (Public Law 114-287). The data would be available to other federal agencies and, to the extent consistent with national security and procurement laws, to the public for purposes such as finding unneeded federal real properties to lease or purchase.

GSA officials said that they created this public database by extracting data from the Federal Real Property Profile (FRPP) database. The database includes almost 400,000 federal real property assets and, according to GSA officials, is based on data from more than 50 federal entities. While GSA has worked in recent years to improve the reliability of the FRPP data, numerous errors migrated into the public database. Reliability issues are due in part to the fragmented nature of federal real property data collection.

Specifically, in February 2020 GAO found that differences in the way agencies report location information caused 67 percent of the street addresses to be incomplete or incorrectly formatted. For example, agencies included extra descriptive information about the property in the address field of the FRPP.

Data, such as "N220 AG Science Bldg North U of Kentucky" and "Beltsville AG Research Center, 10300 Baltimore Avenue" was in the address field for two assets, which could not be directly read by a computer or displayed on a map. In addition, agencies also submitted unrecognizable text in the address field of FRPP, such as "2881 F;B Road" and "1-15, Exit 172, 1 Mile East," which could not be directly read by a computer or displayed on a map.

GAO recommended that the Administrator of GSA coordinate with agencies to ensure that street address information for their assets in the public database are complete and correctly formatted. GSA agreed and has developed an action plan to improve the location information.

In November 2020, a data governance working group representing federal agencies developed a computer application to help agencies identify incorrect or incomplete FRPP location data. GSA made this tool available to entities in February 2021, according to GSA officials. GSA officials plan to monitor the effect of these changes after agencies submit their 2021 data.

Implementation of this recommendation would enable GSA to better manage the program's fragmented approach to collecting real property data. With more than 50 federal entities submitting these data, a lack of coordination to ensure addresses were accurate and correctly formatted reduced the value of this database to public managers who seek to use FRPP to better manage federal assets and public users such as real estate developers and researchers.

Coordinating to ensure a more standardized approach to submitting data and that any formatting errors are corrected should improve the accuracy of the data in the FRPP and public database, making it more able to meet its mission.

Table 13 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data, GAO-20-135. Washington, D.C.: February 6, 2020.

10. Third-Party Information Reporting

Better managing fragmentation within the Internal Revenue Service could enhance third-party information reporting to increase compliance with tax laws and raise revenue by reducing the tax gap.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Improved use of information return data to increase tax compliance

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified two actions to IRS to help improve IRS's use of information return data and coordination among offices that use information returns. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-102

Contact Information

James R. McTigue at (202) 512-6806 or mctiguej@gao.gov

For tax year 2018, the Internal Revenue Service (IRS) processed more than 3.5 billion information returns that it used to verify information reported by taxpayers on more than 150 million individual income tax returns. Information returns, such as Wage and Tax Statements (Form W-2), are filed by third-party filers such as employers, businesses, health insurance providers, financial institutions, and universities.

These returns provide information on taxable transactions to government agencies, including IRS and the Social Security Administration, as well as taxpayers. IRS identifies mismatches between the information reported by third parties and taxpayers for additional attention, including enforcement action. According to IRS research, taxpayers are more likely to misreport income when little or no third-party information reporting exists than when substantial reporting exists.

In December 2020, GAO found that IRS had not systematically evaluated information return reporting with a goal of improving compliance and reducing fraud and reporting burden. IRS had not assessed ways to adjust dollar value thresholds to avoid gaps in reporting or reduce the number of information returns that need to be filed. IRS also had not considered changing filing deadlines to reduce processing bottlenecks or ways to consolidate 50 unique information return forms.

IRS had not conducted a comprehensive assessment because IRS does not have a formal, service-wide approach for researching and assessing information reporting to ensure the service is leveraging the full compliance value of the information it collects.

GAO also found that IRS did not have a coordinated approach with cross-agency leadership that considers how information reporting could be improved to more effectively promote compliance with the tax code. There are several areas where IRS could collaborate among fragmented programs to think more strategically about how to better use information returns to increase compliance. These areas include expanding capacity to transcribe information from paper returns, increasing third-party information reporting to help IRS verify sole proprietors' income, and providing a single point of contact for communicating with external stakeholders who file information returns.

GAO recommended that IRS develop a plan and schedule to systematically evaluate the suite of information returns with the goal of improving compliance and reducing fraud and reporting burden. The evaluation should consider factors such as filing thresholds, deadlines, and the potential to consolidate similar forms, and include recommendations addressing needed changes.

GAO also recommended that IRS develop a collaborative mechanism to coordinate among the internal stakeholders who are responsible for the intake, processing, and use of information returns, as well as to improve outreach to external stakeholders in relation to information returns.

IRS neither agreed nor disagreed with these recommendations; however, IRS outlined actions it plans to take that are consistent with implementing the recommendations. As of March 2021, IRS had not provided updates related to the actions it plans to take to address GAO's recommendations.

Reviewing the entire suite of information returns regularly could help IRS achieve administrative efficiencies and improve tax compliance. Additionally, a collaborative mechanism to develop, implement, and lead a coordinated approach to using information returns would help IRS to improve the effectiveness of its development, intake, processing, and use of information returns, improving the management of fragmentation among the various IRS offices that use the information.

The efficiencies that IRS would achieve from evaluating the suite of information returns and improving coordination for their use could result in cost savings in terms of processing efficiencies and possible revenue enhancement by increasing tax compliance and reducing the tax gap.

However, GAO cannot precisely estimate the effect on future tax compliance or the tax gap because GAO does not know how IRS will implement the evaluation or what changes might result from that evaluation. Further, GAO does not know the extent to which IRS would leverage improved coordination.

Table 14 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

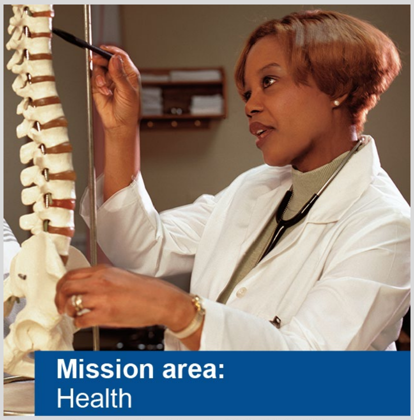
GAO provided a draft of this report section to IRS for review and comment. IRS's response noted the challenges of verifying sole proprietor income and assessing taxpayer burden related to creating new information returns. However, IRS did not comment on whether or not it will develop a plan or schedule to systematically evaluate information returns. Also, IRS did not comment on its efforts to create a collaborative mechanism to better coordinate its use of information returns. GAO maintains that better use of information return data and coordination between IRS offices could help IRS address these and other challenges, which could help increase compliance and reduce the tax gap.

Related GAO Product

Tax Administration: Better Coordination Could Improve IRS's Use of Third-Party Information Reporting to Help Reduce the Tax Gap. GAO-21-102. Washington, D.C.: December 15, 2020.

11. Antibiotic Resistance Diagnostic Test Research

The Department of Health and Human Services should clearly establish agency leadership, roles, and responsibilities for research into the clinical outcomes of diagnostic testing for antibiotic resistance to help the agencies better manage fragmentation, which could help improve patient care and guide appropriate antibiotic use.



Source: Dynamic Graphics. I GAO-21-455SP

Potential Benefit

Better coordination to improve patient care and antibiotic use

Implementing Entity

Department of Health and Human Services

Link to Actions

GAO identified one action for HHS to take to improve its response to antibiotic resistance. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-341

Contact Information

Timothy M. Persons at (202) 512-6888 or PersonsT@gao.gov or Mary Denigan-Macauley at (202) 512-7114 or DeniganmacauleyM@gao.gov

Bacterial infections have become more difficult, and sometimes impossible, to treat due to the spread of antibiotic resistance. The Centers for Disease Control and Prevention (CDC) considers antibiotic resistance to be one of the greatest global public health threats of our time. In 2019, CDC estimated that there are at least 2.8 million resistant infections leading to 35,900 deaths in the U.S. annually. To address this growing threat, it is important to advance the use of diagnostic tests, which can identify antibiotic-resistant infections.

Department of Health and Human Services (HHS) officials and experts agree that more research is needed to provide information to clinicians, such as about when using diagnostic tests will improve patient care. This information may also help prevent the use of antibiotics on infections that will not respond to them, which could also slow the emergence of resistance. However, HHS has conducted a limited number of research studies to examine these issues.

In March 2020, GAO found that HHS had not clearly identified leadership, roles, and responsibilities for interagency collaboration to conduct or fund studies to assess clinical outcomes of diagnostic testing, contributing to low numbers of such studies. For example, officials from the Biomedical Advanced Research and Development Authority and CDC disagreed about what each agency should do.

GAO recommended that HHS identify leadership and clarify roles and responsibilities among HHS agencies to assess clinical outcomes of diagnostic testing for identifying antibiotic-resistant bacteria. HHS agreed with the recommendation and has taken initial steps to identify responsible agencies and create a unified target to work towards. GAO is awaiting further information on the specific roles and responsibilities being assigned to these agencies, as well as any leadership arrangements.

Fully implementing this recommendation could better manage fragmentation by improving collaboration among agencies to effectively address the need for clinical outcome studies. Those studies, in turn, could help demonstrate the value of diagnostic tests for antibiotic resistance, potentially advancing the use of such tests to improve patient care and guide appropriate antibiotic use.

Table 15 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

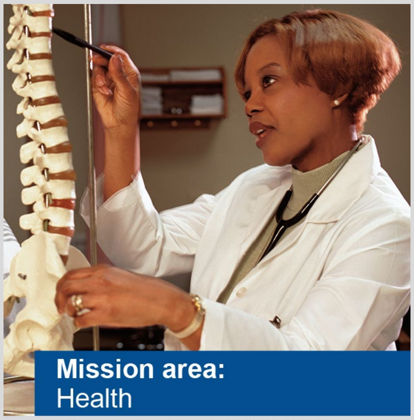
GAO provided a draft of this report section to HHS for review and comment. HHS did not provide comments on this report section.

Related GAO Product

Antibiotic Resistance: Additional Federal Actions Needed to Better Determine Magnitude and Reduce Impact. GAO-20-341. Washington, D.C.: March 30, 2020.

12. Infectious Disease Modeling

By improving coordination of its infectious disease modeling efforts, the Department of Health and Human Services could better identify any duplication and overlap among agencies, which could help them to better plan for and respond to disease outbreaks.



Source: Dynamic Graphics. I GAO-21-455SP

Potential Benefit

Improved coordination

Implementing Entity

Department of Health and Human Services

Link to Actions

GAO identified one action for HHS to take to improve infectious disease modeling coordination. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-372

Contact Information

Timothy M. Persons, at 202-512-6888 or personst@gao.gov

Today's globalized economy and transportation systems allow infectious diseases to spread more rapidly than ever. Disease outbreaks, such as COVID-19, can cause catastrophic harm to the U.S., disrupt economic and social systems, and kill, sicken, and traumatize people on a massive scale. In public health, models of infectious diseases are a tool to predict the social and economic effects of a disease outbreak, and of various options for responding to an outbreak.

Models may be misleading or misunderstood if their underlying data or assumptions are flawed or not carefully communicated. For these and other reasons, researchers must carefully design and interpret models, as well as carefully communicate the results to officials and the public. In the U.S., the Department of Health and Human Services (HHS) is the lead federal agency responsible for public health, including preparing for, mitigating, responding to, and recovering from public health emergencies.

Within HHS, three agencies perform infectious disease modeling to inform decision-making, including the Centers for Disease Control and Prevention (CDC) and the Office of the Assistant Secretary for Preparedness and Response (ASPR). CDC and ASPR used models to inform decision-making between 2009 and 2019 for the outbreaks of Ebola, Zika, and pandemic influenza. The Food and Drug Administration, the third HHS agency, also used its own models to inform decision-making, but to a limited extent.

Consistent with many leading collaboration practices, in May 2020, GAO found that HHS agencies reported using multiple mechanisms to coordinate modeling efforts across agencies. However, they do not routinely monitor, evaluate, or report on the extent and success of coordination, which limits the ability of HHS to identify areas for improvements and there is a potential for overlap and duplication when efforts are not effectively being monitored.

GAO recommended that HHS develop a way to routinely monitor, evaluate, and report on modeling coordination efforts across multiple agencies. HHS agreed with this recommendation, and as of February 2021, stated that it is developing a process to implement this recommendation. By doing so, HHS could be better positioned to identify and address challenges prior to infectious disease outbreaks, which could potentially lead to improved response efforts.

Table 16 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

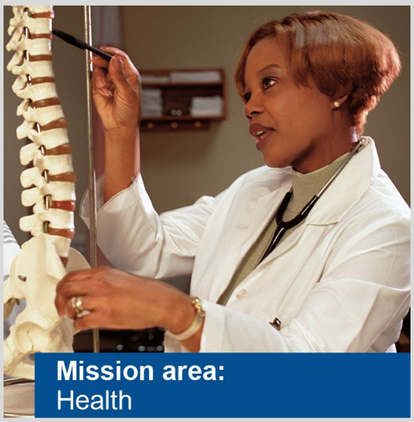
GAO provided a draft of this report section to HHS for review and comment. HHS did not provide comments on this report section.

Related GAO Product

Infectious Disease Modeling: Opportunities to Improve Coordination and Ensure Reproducibility. GAO-20-372. Washington, D.C.: May 13, 2020.

13. Medicaid Claims Processing and Information Retrieval Systems

The Centers for Medicare & Medicaid Services could reduce inefficient duplication and potentially save **millions of dollars annually** by actively identifying and encouraging states to pursue information technology system sharing opportunities across state Medicaid programs.



Source: Dynamic Graphics. | GAO-21-455SP

Potential Benefit

Millions of dollars annually through reduced inefficient duplication by information technology system sharing across state Medicaid programs

Implementing Entity

Centers for Medicare & Medicaid Services

Link to Actions

GAO identified one action for CMS to identify opportunities for states to share systems and reduce costs. See GAO's *Action Tracker*.

Related GAO Product

Report number: GAO-20-179

Contact Information

Vijay D'Souza at 202-512-6240 or dsouzav@gao.gov

In fiscal year 2019, the Medicaid program, with federal expenditures of an estimated $413 billion, financed health care coverage for an estimated 75 million low income and medically needy individuals. Under federal law, states are eligible to receive federal funds for the development and operation of their Medicaid claims processing and information retrieval systems.

Two of these systems—the Medicaid Management Information System (MMIS) and Eligibility and Enrollment (E&E)—are key to administering Medicaid because they maintain data on enrollees, including covered health care services, expenditures, and claims. From fiscal year 2008 through fiscal year 2018, states spent approximately $44 billion on their MMIS and E&E systems. The Centers for Medicare & Medicaid Services (CMS) reimbursed the states for about $34 billion of that amount.

In September 2020, GAO found that although CMS encouraged states to use and share systems with each other, it was not assisting states in doing so by reviewing the various state projects for potential duplicative efforts prior to approving a state's request for funding. Nonetheless, some states identified and took action to reduce inefficient duplication by sharing technologies and systems and, as a result, achieved cost savings.

GAO recommended that, prior to approving state funding for MMIS and E&E systems, CMS identify areas of duplication or common functionality, such as core system modules, to facilitate sharing and reusing Medicaid technologies. Further, GAO recommended that CMS share the results of the review with the state or territory requesting federal funding for a duplicative or similar project and encourage states to share or reuse Medicaid technologies where possible.

In August 2020, CMS agreed with this recommendation and stated that it had taken and plans to continue to take steps to foster an environment of shared learning and potential reuse of systems across states. According to the department, it also plans to continue to expand and focus on requiring states to promote the sharing, leveraging, and reuse of systems with states prior to obtaining enhanced federal funding.

Further, CMS stated that it plans to update regulations and promote reuse by strengthening the conditions for obtaining enhanced federal funding and by focusing on the outcomes of projects receiving this funding.

As of March 2021, HHS officials stated that CMS has taken initial actions to address GAO's recommendation, including formalizing a communication strategy for meetings with major vendors to discuss strategies as it relates to CMS priorities, duplication of effort, and reuse of systems with states. In addition, HHS stated that it has initiated ongoing communities of practice that are available to all states. These communities of practice, according to HHS, enable states and CMS to share best practices and showcase opportunities for reuse among states. HHS stated that it plans to update its regulations and promote reuse by strengthening the reuse condition for enhanced federal funding. GAO will continue to monitor the implementation of this recommendation.

While GAO cannot precisely estimate the magnitude of such savings, if all nonsharing states could achieve savings comparable to the lowest amount of state savings, implementation of this action could potentially produce cost savings of millions of dollars annually.

Table 17 in appendix V provides additional program information related to Medicaid claims processing and information retrieval systems.

Agency Comments and GAO's Evaluation

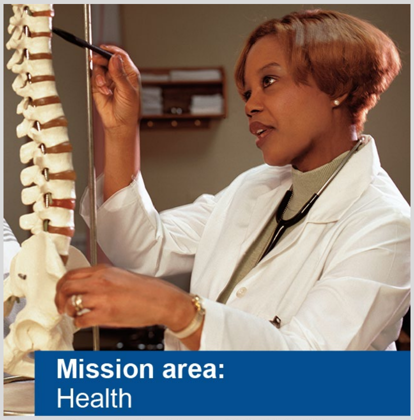
GAO provided a draft of this report section to HHS for review and comment. HHS provided technical comments, which GAO incorporated.

Related GAO Product

Medicaid Information Technology: Effective CMS Oversight and States' Sharing of Claims Processing and Information Retrieval Systems Can Reduce Costs. GAO-20-179. Washington, D.C.: September 9, 2020.

14. VA Graduate Medical Education Reimbursement

The Department of Veterans Affairs should better manage overlap and duplication in its oversight mechanisms for Graduate Medical Education reimbursements to make oversight more effective and efficient and reduce the likelihood of improper payments to affiliated academic institutions.



Source: Dynamic Graphics. | GAO-21-455SP

Potential Benefit

More effective and efficient oversight

Implementing Entity

Department of Veterans Affairs' Veterans Health Administration

Link to Actions

GAO identified three actions for VA to take to eliminate overlap and duplication in its oversight of GME reimbursement. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-553

Contact Information

Sharon Silas at (202) 512-7114 or silass@gao.gov

The Department of Veterans Affairs' (VA) Veterans Health Administration (VHA) spent about $782 million in fiscal year 2020 on salaries and benefits for medical and dental residents trained through its Graduate Medical Education (GME) program.

Under VHA's GME program, VA medical facilities use disbursement agreements to reimburse affiliated academic institutions for residents' salaries and benefits. VHA developed a policy related to establishing and administering disbursement agreements, but staff have not always adhered to VHA policy—such as conducting required periodic audits of disbursement agreements.

VA's Office of Inspector General (OIG) found that failure to adhere to VHA operational and oversight policy requirements resulted in improper payments to affiliates. For example, a 2018 VA OIG review classified all of one VA medical facility's approximately $6.9 million in reimbursements to an affiliate as improper payments due to the facility's failure to follow VHA policy requirements. In response, in December 2018, VHA implemented the Resident Disbursement Audit Process (ReDPro) checklist to enhance oversight and monitor VA medical facilities staff's adherence to GME disbursement agreement policy.

In July 2020, GAO reported that VHA officials said that VHA's two disbursement agreement oversight mechanisms—periodic facility audits and the ReDPro checklist—were meant to have distinct but complementary purposes. However, distinctions between these oversight mechanisms described by officials were not clear in VHA policy or guidance.

Federal standards for internal controls state that management should implement control activities through policies. Absent such clear delineation in policy, VHA increases the risk that staff at its medical facilities will not understand or operationalize the distinctions between these oversight mechanisms.

Further, the ReDPro checklist tool, completed by facility compliance officers, and VHA's recommended periodic audit tool, completed by facility audit teams, had numerous areas of overlap. For example, about 60 percent of the questions in the ReDPro checklist tool were also included in the separate audit tool. This overlap created an unnecessary burden on VA medical facility staff.

GAO made three recommendations to VA in July 2020 aimed at reducing overlap and duplication between the periodic audits and the ReDPro checklist reviews. VA agreed with these recommendations.

In November 2020, VA provided evidence that it had addressed two of the three recommendations related to modifying the ReDPro checklist tool and VHA's periodic audit tool to avoid overlap by implementing a revised and streamlined process.

The updated GME reimbursement oversight process should eliminate prior duplication by assigning unique but complementary roles to facility audit teams and compliance officers—lessening the burden on VA facility staff. However, GAO cannot estimate the potential financial benefit of these efficiencies because they depend on the specific implementation details of actions taken by each VA facility, the extent to which these actions save staff time, and on the results of specific audits.

As of March 2021, one recommendation remains open to more clearly define the different purposes of the periodic audits and the ReDPro checklist reviews in VHA policy. VA officials stated that the different purposes have been defined in a new draft policy that is pending final approval.

Taking the remaining recommended action by documenting VHA's revised GME reimbursement oversight process in VHA policy would increase the effectiveness of oversight by helping to ensure that VA medical facility staff understand the distinct purposes of VHA's revised oversight process, and can therefore accurately implement their roles to achieve VHA's goals.

Table 18 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

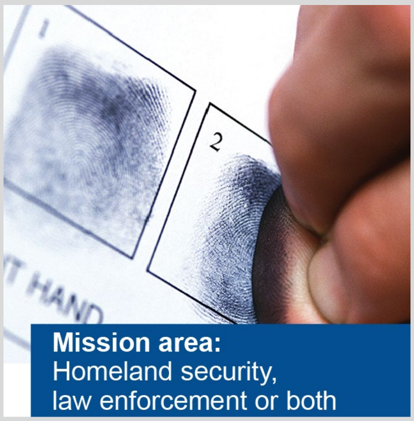
GAO provided a draft of this report section to VA for review and comment. VA concurred with the draft language and provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

VA Health Care: Actions Needed to Improve Oversight of Graduate Medical Education Reimbursement. GAO-20-553. Washington, D.C.: July 17, 2020.

15. Chemical Security

Federal agencies should identify the extent of duplication and gaps among fragmented and overlapping chemical safety and security programs, which would better position relevant federal agencies to develop guidance, share information, and address potential security gaps.



Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Improved information sharing and identifying and addressing potential security gaps.

Implementing Entity

Bureau of Alcohol, Tobacco, Firearms and Explosives, Department of Homeland Security, Environmental Protection Agency, and Department of Transportation

Link to Actions

GAO identified one action for ATF, one action for DOT, two actions for EPA, and three actions for DHS to improve information sharing and identify potential security gaps. See GAO's *Action Tracker.*

Related GAO Product

GAO-21-12

Contact Information

Leslie Gordon at (202) 512-8777 or GordonLV@gao.gov

At least nine federal programs from four departments and agencies address chemical safety or security at facilities with hazardous chemicals that could be targeted by terrorists to inflict mass casualties or damage.

In January 2021, GAO found that at least 550 of 3,300 (16 percent) facilities subject to the Department of Homeland Security's (DHS) Chemical Facility Anti-Terrorism Standards (CFATS) are also subject to other federal programs with requirements or guidance for chemical safety and security. Specifically, three programs are managed by DHS, three by the Environmental Protection Agency (EPA), one by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and one by the Department of Transportation (DOT).

Representatives from selected facilities described inefficiencies caused by duplicative requirements, such as recreating documents with the same information they already provide to other programs. Officials from the CFATS program said they do their best to accept documents and procedures developed for other programs, as appropriate.

Additionally, more than 1,600 public water systems or wastewater treatment facilities that contain quantities of chemicals that would otherwise be regulated under CFATS are excluded under the CFATS statute, leading to fragmentation. According to DHS and EPA senior officials, this causes security gaps.

Federal requirements applicable to chemical safety and security have evolved over time as authorizing statutes and regulations established programs for different purposes, such as safety versus security. The departments or agencies responsible for these programs have previously partnered as a working group to, among other things, enhance information collection and sharing.

Representatives from facilities and industry associations GAO interviewed indicated that there is some coordination among chemical safety and security programs, but they could better coordinate to address overlapping requirements.

In January 2021, GAO recommended that the four departments and agencies collaborate and establish an iterative and ongoing process to identify which CFATS-regulated facilities are covered by other programs with requirements or guidance that generally align with some CFATS standards. ATF, DHS, EPA, and DOT agreed with this recommendation.

GAO also recommended that DHS update CFATS program guidance or fact sheets to include a list of commonly accepted actions facilities may have taken and information they may have prepared pursuant to other federal programs, and disseminate this information. DHS agreed with this recommendation.

GAO recommended that DHS and EPA assess the extent to which potential security gaps exist at water and wastewater facilities and, if gaps exist, develop a legislative proposal for how best to address them and submit it to the Secretary of Homeland Security and Administrator of EPA, and Congress, as appropriate. DHS agreed with this recommendation. EPA partially agreed with this recommendation.

EPA stated that a recommendation to submit a legislative proposal is unnecessary and inappropriate because EPA and DHS have already provided testimony to Congress that a security gap exists and should be addressed. However, GAO continues to believe the recommendation is valid; executive branch agencies are often well positioned to suggest specific approaches for solving concerns under their jurisdiction and routinely submit legislative proposals for congressional consideration.

By taking these recommended steps and building on collaboration established through the existing working group, the CFATS program and chemical safety and security partners would be positioned to better manage duplication between CFATS and other programs, and better ensure the security of facilities currently subject to fragmented requirements.

Table 19 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to ATF, DHS, EPA, and DOT for review and comment. ATF, DHS, EPA, and DOT provided technical comments, which GAO incorporated as appropriate. In its response, DHS outlined steps it is taking in coordination with ATF, EPA, and DOT to address the recommendations, including identifying actions performed by facilities to comply with chemical safety and security regulations that could be used to satisfy CFATS requirements, and discussing potential parameters for a study of water and wastewater treatment facility chemical security. GAO believes these are good first steps and will continue to monitor the implementation of these recommendations.

Related GAO Product

Chemical Security: Overlapping Programs Could Better Collaborate to Share Information and Identify Potential Security Gaps, GAO-21-12. Washington, D.C.: January 21, 2021.

16. Federal Cybersecurity Requirements and Assessments of States

By improving coordination of fragmented cybersecurity requirements and related assessment programs for state agencies, federal agencies could potentially minimize the burden on states and save **millions of dollars** in associated federal and state costs.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Millions of dollars

Implementing Entity

Office of Management and Budget, Centers for Medicare & Medicaid Services, Federal Bureau of Investigation, Internal Revenue Service, and Social Security Administration

Link to Actions

GAO identified 12 actions for the five agencies to take to better manage fragmentation and improve consistency in federal cybersecurity requirements for states and coordination in related compliance assessments. See GAO's *Action Tracker.*

Related GAO Product

GAO-20-123

Contact Information

Vijay D'Souza at 202-512-6240 or dsouzav@gao.gov

The federal government exchanges a large variety of personally identifiable and other sensitive information—such as taxpayer, law enforcement, and health care data—with states to implement key federal and state programs. Because of the significant impact that such information can have on a broad array of government operations and assets, as well as individuals' privacy, effective security controls to protect that information from cyber threats are essential.

To protect and secure sensitive information, each federal agency that exchanges data has specific regulations, guidelines, or other requirements for states to follow when accessing, storing, and transmitting the data. Further, federal agencies have established assessment programs to ensure that the state agencies comply with their cybersecurity requirements.

In May 2020, GAO reported that the Centers for Medicare & Medicaid Services (CMS), Federal Bureau of Investigation (FBI), Internal Revenue Service (IRS), and Social Security Administration (SSA) had cybersecurity requirements for state agencies, such as the number of consecutive unsuccessful log-on attempts prior to locking out the user, that were often conflicting or fragmented. Among the four federal agencies, the percentage of total requirements that conflicted with those of at least one other agency ranged from 49 percent to 79 percent.

The Office of Management and Budget's (OMB) Circular A-130 directs federal agencies to coordinate with other federal and nonfederal entities on cybersecurity requirements to the greatest extent possible. It also encourages coordination on cybersecurity assessments when practicable.

GAO found that OMB had not ensured that agencies had done so. The agencies had not coordinated, in part, because they prioritized addressing agency-specific responsibilities specified in relevant laws and policies, as well as the needs of relevant communities of interest. However, spending time on fragmented or duplicative activities can take resources away from other important cybersecurity activities. Moreover, in responding to a GAO survey, at least 34 state chief information security officers (CISO) identified a moderate to very great increase in the burden to state agencies' time and costs due to variances in federal cybersecurity requirements. In addition, 16 state CISOs identified opportunities for federal agencies to further coordinate on their assessments.

GAO recommended that CMS, FBI, IRS, and SSA, in collaboration with OMB, coordinate to improve the consistency in cybersecurity requirements for state agencies and revise assessment policies to maximize federal agency coordination. In response, Health and Human Services (on behalf of CMS), FBI, and SSA agreed with the recommendations, while OMB did not provide comments. IRS partially agreed with one recommendation and disagreed with one recommendation, which was to maximize coordination of assessment policies with other federal agencies. GAO stressed the importance for agencies to streamline requirements, where feasible, and leverage and share relevant information while conducting required oversight.

As of March 2021, OMB, FBI, IRS, and SSA reported taking steps to address GAO's recommendations. For instance, FBI established a working group consisting of representatives from CMS, IRS, SSA, and state agencies that is to advise on updates to its cybersecurity requirements. In addition, IRS and SSA officials stated that they were examining ways that they might utilize assessments from other federal agencies. OMB officials stated that efforts to coordinate would provide significant value to states and that through the Federal Chief Information Officer and CISO Councils, and other engagements, OMB would ensure CMS, FBI, IRS, and SSA are collaborating to leverage agency assessments and jointly conducting assessments where feasible.

Coordinating to address variances in cybersecurity requirements and when assessing state agencies' compliance with those requirements may help federal agencies to better manage fragmentation and the associated costs, and to minimize states' cost and time impacts. Selected federal agencies reported a combined spending of about $45 million in fiscal years 2016 through 2018 on assessments of state agencies' cybersecurity. Even a modest reduction in time or expenditures from greater consistency in requirements or collaboration where current assessments are needlessly fragmented or duplicative could save millions of dollars.

Table 20 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

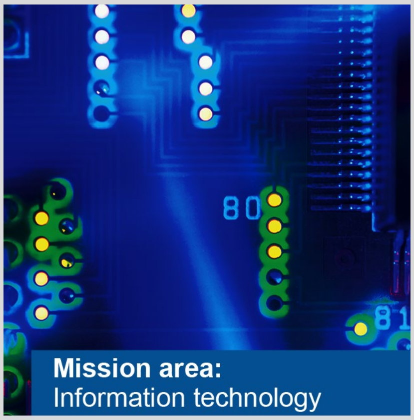
GAO provided a draft of this report section to OMB, CMS, FBI, IRS, and SSA. In response, OMB, CMS, FBI, and IRS provided technical comments, which GAO incorporated as appropriate. SSA had no comments. In its comments, FBI disagreed that increased coordination would save millions of dollars to federal agencies and noted that its spending represented a small percentage compared to other agencies. GAO continues to believe that actions to further coordinate, such as those mentioned above, when effectively implemented, could result in millions of dollars in savings across the four federal agencies.

Related GAO Product

Cybersecurity: Selected Federal Agencies Need to Coordinate on Requirements and Assessments of States. GAO-20-123. Washington D.C.: May 27, 2020.

17. Federal IT Contract Duplication

Agencies can realize savings of potentially **millions to hundreds of millions of dollars** by ensuring that their efforts to reduce duplicative information technology contracts are fully aligned with key Office of Management and Budget category management principles and practices and are informed by analyses of agency spending on products and services.



Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Millions to hundreds of millions of dollars

Implementing Entity

Departments of Agriculture, Defense, Health and Human Services, Justice, State, and Veterans Affairs

Link to Actions

GAO identified 20 actions to six agencies to fully implement the category management and spend analyses activities. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-567

Contact Information

Carol C. Harris at (202) 512-4456 or harriscc@gao.gov

The federal government spends more than $90 billion annually on information technology (IT), including more than $50 billion on contracts for products and services. Given the size of this investment, it is important that the government avoid spending money on unnecessarily duplicative IT contracts.

Since 2014, and most recently in March 2019, the Office of Management and Budget (OMB) directed agencies to take actions to implement category management—an approach based on industry-leading practices to streamline and manage entire categories of spending across government more like a single enterprise—to, among other things, reduce unnecessary contract duplication. For example, OMB directed agencies to identify a Senior Accountable Official and develop processes and policies to implement category management.

In addition, GAO and the General Services Administration have determined that conducting a spend analysis—an effort to identify how much is being spent for which products and services and where opportunities exist to leverage buying power—can be used to reduce contract duplication.

In September 2020, GAO found that five of seven selected federal agencies reviewed had not fully implemented five OMB category management activities that contribute to preventing, identifying, and reducing duplicative IT contracts. For example, about half of the agencies had not fully implemented steps associated with sharing contract information.

Further, GAO found that only four of the seven selected agencies used spend analyses to inform their efforts to identify and reduce duplication and had developed and implemented strategies to address the identified duplication. Two of the agencies did not make regular use of the spend analyses, and three had not implemented either of the two spend analysis activities.

Officials reported that agencies who took these actions reported millions of dollars in actual and anticipated future savings. For example, one agency identified opportunities to reduce duplicative contracting actions with several vendors, resulting in several hundred million dollars in potential savings.

GAO recommended that the selected federal agencies ensure that they fully implement the category management and spend analysis activities that GAO identified as partially or not implemented. GAO made recommendations to six agencies: the Departments of Agriculture, Defense, Health and Human Services, Justice, State, and Veterans Affairs. Each agreed with the recommendations.

Until agencies ensure that their efforts to reduce duplicative IT contracts are fully aligned with key OMB category management principles and practices and are informed by spend analyses, they will be at an increased risk of wasteful spending.

As a result of implementing the spend analysis activities, the Departments of Defense, Health and Human Services, and State had potential or actual cost savings of millions to hundreds of millions of dollars. Assuming a similar magnitude of savings, if the remaining agencies implement GAO's recommendations, millions to hundreds of millions of potential additional savings could be achieved.

Table 21 in appendix V provides additional budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Departments of Agriculture, Defense, Health and Human Services, Justice, State, and Veterans Affairs for review and comment. Agriculture, Defense, Health and Human Services, Justice, and State said that they had no comments. Veterans Affairs concurred with the section, and described ongoing and planned efforts to implement the recommendations.

Related GAO Product

Information Technology: Selected Federal Agencies Need to Take Additional Actions to Reduce Contract Duplication. GAO-20-567. Washington, D.C.: September 30, 2020.

18. FDA Laboratory Safety

The Food and Drug Administration should better manage fragmentation, overlap, and duplication in its laboratory safety oversight, such as by clarifying roles and responsibilities.

Source: Brand X Pictures. I GAO-21-455SP

Potential Benefit

More effective oversight of FDA's laboratory safety program

Implementing Entity

Food and Drug Administration

Link to Actions

GAO identified two actions for FDA to address issues of duplication, overlap, and fragmentation in its laboratory safety program. See GAO's *Action Tracker*.

Related GAO Products

GAO-20-594 and GAO-16-305

Contact Information

Mary Denigan-Macauley, Ph.D. at (202) 512-7114 or deniganmacauleym@gao.gov

Safety lapses have occurred at federal laboratories that handle hazardous pathogens and toxins. For example, in July 2014, boxes containing decades-old vials of smallpox—some of which contained live virus—and other hazardous biological agents were found in a cold room of a Food and Drug Administration (FDA) laboratory on the National Institutes of Health (NIH) campus. These agents could have exposed FDA personnel and the public to deadly harm.

In March 2016, GAO reported that several federal departments and agencies, including FDA, needed stronger oversight mechanisms for high-containment laboratories—those that research hazardous biological agents and operate under specific safety protocols.

In September 2020, GAO found that while FDA took steps intended to improve the safety of its laboratories, FDA did not implement key practices that could have helped ensure the effectiveness of its laboratory safety reforms. Specifically, FDA established an office—now called the Office of Laboratory Safety (OLS)—as the central point of accountability for laboratory science and safety across the agency. However, GAO found instances in which fragmentation, overlap, and duplication were introduced or sustained following FDA's laboratory safety reforms.

For example, FDA's strategic plan calls for OLS to conduct laboratory safety inspections to verify compliance with safety policies. At the same time, these same laboratories were inspected through a process in place before the reforms were implemented. Specifically, OLS was responsible for developing agency-wide safety policies and providing oversight and monitoring for all laboratory safety-related activities, while each of FDA's operating divisions—known as centers—retained its own laboratory safety program, including safety staff, who are responsible for ensuring the implementation of laboratory safety practices within their centers.

GAO also found that there was disagreement over OLS's roles and responsibilities. Some center directors and center safety staff expressed concerns that OLS-led inspections would be unnecessarily duplicative. However, overlapping, or even duplicative, laboratory safety inspections conducted by OLS and center safety staff may provide greater assurance of safety given the complexity of laboratory processes and the significant risks should a serious incident occur. However, FDA had not assessed whether the overlap is an important redundancy or an unnecessary inefficiency. OLS planned to begin its inspections in calendar year 2020, but as of March 2021, had not done so because of operational limitations from the COVID-19 pandemic. FDA officials noted that center safety staff were still conducting laboratory inspections.

GAO also identified impediments to OLS's oversight authority. For example, FDA changed the reporting structure as part of its 2019 reorganization, leaving OLS with no direct oversight over certain key staff. Specifically, FDA's occupational safety and health staff were realigned away from reporting to OLS even though OLS is still responsible for overseeing all occupational safety and health activities. OLS staff stated that this resulted in delays responding to incident investigations and implementing corrective actions.

GAO recommended that FDA should, as part of the agency's efforts to update OLS's strategic plan for overseeing agency-wide laboratory safety, address issues of duplication, overlap, and fragmentation in the safety program, and resolve disagreements over centers' and OLS's roles and responsibilities for implementing laboratory safety reforms.

FDA agreed with the recommendations and stated that it plans to use input from GAO's report to update the OLS strategic plan. FDA further stated that the minimization of duplication, overlap, and fragmentation will strengthen laboratory safety across the agency. As of March 2021, FDA stated it initiated an internal safety program review in September 2020, and also contracted for an external safety program assessment. FDA plans to use the results of these reviews to update the OLS strategic plan.

Effective oversight of laboratories that work with dangerous pathogens is essential to preventing the release of hazardous biological agents that could expose laboratory employees and the public to serious and potentially lethal infections. Without addressing issues of duplication, overlap, and fragmentation, FDA will continue to struggle to ensure OLS can effectively oversee FDA's laboratory safety program.

Table 22 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Department of Health and Human Services (HHS) for review and comment. HHS provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Laboratory Safety: FDA Should Strengthen Efforts to Provide Effective Oversight, GAO-20-594, Washington, D.C.: September 8, 2020.

High-Containment Laboratories: Comprehensive and Up-to-Date Policies and Stronger *Oversight Mechanisms Needed to Improve Safety*, GAO-16-305, Washington, D.C.: March 21, 2016.

19. Federal Efforts to Advance Recycling

The Environmental Protection Agency could better manage potential fragmentation in federal efforts to advance recycling by assigning specific roles and responsibilities to federal agencies and other entities as it finalizes its national recycling strategy.

Source: Brand X Pictures. I GAO-21-455SP

Potential Benefit

More effective federal efforts to advance recycling

Implementing Entity

U.S. Environmental Protection Agency

Link to Actions

GAO made three recommendations to EPA, including that it fully incorporate desirable characteristics of effective national strategies in its national recycling strategy and fulfill a RCRA requirement to conduct certain studies. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-87

Contact Information

J. Alfredo Gómez at (202) 512-3841 or gomezj@gao.gov

The United States generated roughly 292 million tons of municipal waste in 2018, or almost 1,800 pounds of waste per capita, according to U.S. Environmental Protection Agency (EPA) estimates.

According to EPA, the recycling of municipal waste has economic and environmental benefits, such as reducing litter, marine debris, pressure on limited landfill space, air pollution, greenhouse gas emissions, and the amount of electricity, fuel, and water used to manufacture goods. In addition, EPA has reported that recycling programs contribute to jobs; wages; and federal, state, and local tax revenues.

However, according to EPA estimates, roughly a quarter of all the municipal waste generated in the United States in recent years was collected for recycling, and recycling rates for common recyclables, such as glass and plastics, remain low.

While states and municipalities have primary responsibility for recycling, federal agencies have specific roles. For example, the Resource Conservation and Recovery Act of 1976 (RCRA) requires EPA to take specific actions. More recently, the congressional explanatory statement accompanying EPA's fiscal year 2020 appropriation directed EPA to develop, in collaboration with for-profit, nonprofit, state and local governments, and other stakeholders, a national recycling strategy.

In December 2020, GAO found that four federal agencies have taken steps to advance recycling in the United States. However, EPA developed a draft national recycling strategy in October 2020 that does not fully align with desirable characteristics for effective national strategies, as described in prior GAO work. Such characteristics include: identifying necessary resources, clarifying the roles and responsibilities of participating entities, and articulating how the agency will implement the strategy and integrate the activities with existing programs and activities.

GAO also found that EPA had not conducted certain studies or developed recommendations for administrative or legislative action required by RCRA. Specifically, EPA had not studied or made recommendations regarding (1) the effect of existing public policies upon the recycling and reuse of materials, and the likely effect of the modification or elimination of incentives and disincentives upon the reuse, recycling, and conservation of materials; and (2) the necessity and method of imposing disposal or other charges on packaging and certain other items to reflect the cost of final disposal, the value of recoverable components of the item, and any social costs associated with nonrecycling or uncontrolled disposal of such items.

GAO made three recommendations to EPA in its December 2020 report, including that EPA incorporate desirable characteristics for effective national strategies to its national recycling strategy, and that EPA develop an implementation plan for conducting the two required studies. EPA agreed with these recommendations and reported that it anticipates addressing them as it finalizes and begins implementing the strategy.

By fully incorporating desirable characteristics of effective national strategies into its national recycling strategy—such as assigning specific roles and responsibilities to federal agencies and nonfederal entities—EPA will better ensure accountability for its implementation and better avoid the potential risks of fragmented federal efforts to advance recycling.

Furthermore, conducting the required studies and developing recommendations for administrative or legislative action would provide Congress with information to better assess the effectiveness of existing policies and the potential for new policies to more effectively advance recycling in the United States.

For example, the studies' results could lead to opportunities to eliminate ineffective programs or to enact new programs. However, until further action is taken, GAO cannot calculate the potential effects on the costs to the federal government.

Table 23 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Recycling: Building on Existing Federal Efforts Could Help Address Cross-Cutting Challenges. GAO-21-87. Washington, D.C.: December 18, 2020.

20. Intellectual Property Training

The Small Business Administration should document how it will coordinate and leverage existing resources with the U.S. Patent and Trademark Office to help coordinate fragmented intellectual property training for small businesses.

Source: Brand X Pictures. I GAO-21-455SP

Potential Benefit

Better coordination on training

Implementing Entity

Small Business Administration

Link to Actions

GAO identified one action for SBA to improve coordination with USPTO. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-556

Contact Information

John Neumann at (202) 512-6888 or NeumannJ@gao.gov

In 2016, small businesses employed about half of the U.S. private workforce and from 2010 through 2018 created approximately two-thirds of the nation's jobs. For many small businesses and inventors, protecting intellectual property aids in attracting investor capital needed to build market share and create jobs. The Small Business Administration (SBA) is responsible for counseling, assisting, and protecting the interests of small businesses. Its local partners such as the Small Business Development Centers (SBDC) assist and train small businesses on intellectual property issues, among other things.

The U.S. Patent and Trademark Office (USPTO) grants patents, registers trademarks, and publishes and distributes patent information. USPTO also helps small businesses and inventors with intellectual property issues through a variety of programs that provide information about patents and trademarks, helps with the application process, and offers free legal assistance with patent applications and trademark registrations.

Section 4 of the Small Business Innovation Protection Act of 2017 requires SBA, in consultation with USPTO, to develop a partnership agreement by April 2019 (Public Law 115-259).

In August 2020, GAO reported that SBA missed the April 2019 deadline to develop the partnership agreement with USPTO. GAO also found that while SBA and USPTO programs and partners coordinated at the local level, they did so independently because the agencies did not centralize coordination.

SBA officials met with USPTO officials in February 2020 to discuss how to leverage existing USPTO training materials. SBA officials stated they plan to expand on these efforts by, for instance, creating an online curriculum of existing USPTO courses, linking these courses to the SBA website, and inviting officials from USPTO regional offices to more intellectual property-related events. However, as GAO reported in August 2020, SBA officials did not yet have plans to document these efforts in an agreement with USPTO.

GAO recommended that as SBA develops the partnership agreement as required by the act, it document how SBA and USPTO will coordinate and leverage existing resources. SBA concurred with this recommendation and said that GAO's review will help the agency leverage existing intellectual property training programs aimed at small businesses and strengthen its coordination with USPTO. As of March 2021, SBA has not implemented this recommendation.

Developing and implementing a partnership agreement could better manage fragmentation by improving coordination on intellectual property training provided to small businesses. This may provide an opportunity to better leverage resources to broaden outreach to more small businesses. By not clarifying coordination efforts with USPTO, SBA's intellectual property assistance to small businesses remains largely dependent on the resources available and the willingness of officials working in each region. As a result, access to assistance and training may be inconsistent and small businesses in regions without this coordination and awareness may not be able to access the help they need to protect their intellectual property.

Table 24 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SBA for review and comment. While SBA did not address the status of the partnership agreement with USPTO in its comments, SBA stated that it has leveraged USPTO intellectual property training to help small businesses and has a close relationship with USPTO regional offices and other USPTO programs. In particular, SBA noted that for the past 6 years it has partnered with USPTO to provide intellectual property training for small businesses participating in SBA's Small Business Innovation Research and Small Business Technology Transfer programs.

Finally, SBA noted that SBDCs should have discretion regarding their training curriculum based on local market needs; however, as GAO noted in August 2020, SBA should finalize its partnership agreement with USPTO because having such an agreement could help manage fragmentation by improving coordination on the intellectual property training provided to small businesses.

Related GAO Product

Intellectual Property: Additional Agency Actions Can Improve Assistance to Small Businesses and Inventors. GAO-20-556. Washington, D.C.: August 27, 2020.

Appendix III: New Areas in Which GAO Has Identified Other Cost Savings or Revenue Enhancement Opportunities

This appendix summarizes nine new 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 U.S. Department of the Treasury.

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21. Privatized Housing Payments

DOD could potentially save **millions of dollars annually** by revising its calculation of payments to privatized housing projects; these payments were designed to offset the loss of revenue caused by DOD's reduction to the housing allowance it pays servicemembers.

Source: Department of Defense/Helene C. Stikkel. | GAO-21-455SP

Potential Benefit

Millions of dollars annually

Implementing Entity

Congress

Link to Actions

GAO identified one matter for Congress. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-137

Contact Information

Elizabeth A. Field at (202) 512-2775 or fielde1@gao.gov

The basic allowance for housing (BAH) is one of the largest components of cash compensation for military personnel, generally second only to basic pay. It is designed to help servicemembers by covering a portion of their monthly costs of rent and utilities and is provided to approximately 1 million eligible active-duty servicemembers who live in the United States.

The Department of Defense (DOD) requested changes to statutory authority to allow for a reduction to the housing allowance so that it could reinvest the savings into training and readiness. The National Defense Authorization Acts for fiscal years 2015 and 2016 authorized DOD to use a phased approach to reduce BAH rates (sections 604 and 603 of Public Laws 113-291 and 114-92, respectively). As such, in 2015, DOD began reducing housing allowance rates, as authorized in law.

However, the reduction in housing allowance rates resulted in reductions in rental income to privatized housing projects, given that basic allowance for housing is a key revenue source for these projects. Privatized housing is owned and managed by private-sector developers who work with the military departments to rebuild and renovate military housing. To offset the effect of the housing allowance reduction on the privatized housing projects, Congress required DOD to provide direct payments to those projects. In 2019, these payments amounted to $197.6 million.

In January 2021, GAO found that while DOD followed statutory requirements, the law required calculating the payments to privatized housing projects differently from the allowance reductions. Specifically, the calculation used for the payments to privatized housing projects was based on the local average of total housing costs. The calculation for the allowance reductions was based on the national average of total housing costs.

This difference in calculations resulted in multiple privatized housing projects receiving payments that were either greater than or less than the amount of revenue lost from reductions made to the housing allowance, in some cases by $1 million or more. GAO determined the net effect of this difference in calculations in 2019 was an overpayment of about $4.8 million to certain privatized housing projects.

GAO suggested that Congress consider revising the calculation for payments for privatized housing projects so that the payments are based on national average rates, consistent with the calculation for the housing allowance reduction.

Congress acting to revise the calculation for the payments would prevent overpayments to privatized housing project developers and result in annual savings to the federal government.

GAO cannot precisely estimate the future savings if this action were taken because it would depend on various factors, including the number of members living in the privatized housing projects and their rank, the BAH reduction amount, and the percentage of payment on which Congress requires additional payments to be based. However, if DOD saved an amount comparable to the 2019 amount, it could amount to millions of dollars in annual savings.

Table 25 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Military Housing: Actions Needed to Improve the Process for Setting Allowances for Servicemembers and Calculating Payments for Privatized Housing Projects. GAO-21-137. Washington, D.C.: January 25, 2021.

22. DOE Improper Payments

Performing recovery audits at selected sites could help the Department of Energy identify and recover **millions of dollars** in improper payments.

Source: ©Corbis. I GAO-21-455SP

Potential Benefit

Millions of dollars

Implementing Entity

Department of Energy

Link to Actions

GAO identified one action for DOE to take to improve its identification of improper payments. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-442

Contact Information

Allison B. Bawden at (202) 512-3841 or bawdena@gao.gov

Improper payments—payments that under statutory, contractual, administrative, or other legally applicable requirements should not have been made or were made in an incorrect amount—are a long-standing, widespread, and significant problem in the federal government.

The Department of Energy (DOE) reports in its annual Agency Financial Report the amount of improper payments that were made and identified in the reporting year. For example, DOE reported in its fiscal year 2020 Agency Financial Report that in fiscal year 2019, it identified about $31.7 million in improper payments.

DOE identifies many of its improper payments through financial audits by the Office of the Inspector General (OIG), other federal agencies, or external audit organizations, or investigations by the OIG, the Department of Justice, or other federal agencies. These audits and investigations often do not occur until after DOE reports its improper payments for the year. For example, in June 2020 GAO found that DOE had not audited nearly two-thirds of its payments to contractors for fiscal year 2018 before it reported its improper payments for that year.

Improper payments amounts reported for a fiscal year are not updated to include those identified later through audits and investigations even though these additional improper payments may increase the total improper payments made in a year by millions of dollars. Having an accurate total for improper payments made in a single fiscal year is important because additional monitoring and reporting activities are required for agencies that make $100 million or more in improper payments in a year.

Executive agency programs that expend at least $1 million annually are required to implement recovery audits, if cost effective to the agency and not prohibited by law, to recover improper payments (31 U.S.C. § 3352(i)). A recovery audit, previously called a "payment recapture audit," is specifically designed to identify overpayments and involves a review of an agency's or program's accounting and financial records, supporting documentation, and other pertinent information in support of its payments. Recovery audits are not audits in the traditional sense, but are control activities designed to assure the integrity of contract payments. Such audits could occur before DOE reports its annual improper payments information and improve the accuracy of the improper payments amounts DOE reports.

GAO found in June 2020 that DOE officials perform some activities to identify improper payments, such as approving invoices and contractor internal audits, but the site office staff do not ensure that payment recovery audits are conducted. DOE may be missing opportunities to recover federal dollars that are a monetary loss to the government because it had not evaluated whether site office staff could identify additional improper payments if recovery audits were performed at the sites.

GAO recommended that DOE evaluate whether it could identify enough additional improper payments through recovery audits to make those audits cost effective. DOE did not agree with this recommendation, stating that existing activities such as pre- and post-payment reviews, contractor internal audits, and interim and close-out reviews of contracts and financial assistance awards were sufficient.

GAO continues to believe this recommendation is valid, as recovery audits are designed to identify additional improper payments not identified through other means. As of March 2021, DOE officials stated that DOE is committed to the continuous improvement of the payment integrity reporting processes, including existing recapture activities. Additionally, the officials stated that DOE has established working groups to identify areas for improvement and best practices.

By evaluating whether it could identify enough additional improper payments to make recovery audits cost effective, such as performing audits at a limited number of sites, DOE could identify and recover additional improper payments or have better information to support its conclusion that recovery audits are not cost effective.

GAO cannot precisely estimate the amount of improper payments that could be recovered from taking this action, because it would depend on the specifics of implementation. However, if DOE could identify and recover improper payments at even one-third of its reported improper payments rate, it could amount to millions of dollars of recovered payments and improved improper payments reporting.

Table 26 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO’s Evaluation

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

Related GAO Product

Improper Payments: Improvements Needed to Ensure Reliability and Accuracy in DOE's Risk Assessments and Reporting. GAO-20-442. Washington, D.C.: June 17, 2020.

23. Cost Savings Programs at NNSA Sites

Implementing cost savings programs at the National Nuclear Security Administration's sites could save **hundreds of millions of dollars over approximately a 5-year period**.

Source: ©Corbis. I GAO-21-455SP

Potential Benefit

Hundreds of millions of dollars over approximately a 5-year period

Implementing Entity

National Nuclear Security Administration

Link to Actions

GAO identified one action for NNSA to analyze the cost effectiveness and exportability of the cost savings program. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-451

Contact Information

Allison Bawden at (202) 512-3841 or bawdena@gao.gov

The National Nuclear Security Administration (NNSA) spends billions of dollars each year to manage and operate its eight laboratory and production sites across the country. In 2013, NNSA awarded a consolidated management and operating (M&O) contract to a single contractor for the Y-12 National Security Complex (Y-12) in Tennessee and the Pantex Plant (Pantex) in Texas. NNSA required the contractor to create a cost savings program to reduce costs and operate facilities more efficiently and effectively.

Over the approximately 5-year period from 2014 through 2018, the contractor reported and NNSA verified about $515 million in cumulative cost savings at those two sites. Based on NNSA-verified data, about 10 percent of the annual savings were due to merging the two sites, and the majority of the savings—about 90 percent—were attributed to improving the efficiency of operations. For example, the contractor achieved cost savings through operational efficiencies such as the reduction of labor hours needed to complete an activity.

In June 2020, GAO found that, despite the cost savings and other benefits achieved at the two sites, NNSA is not planning to implement a cost savings program—or a variation of it—at its other sites. NNSA officials and contractor representatives were uncertain about whether such a program could be exported to other existing or future contracts because NNSA had not gathered information on nor documented its analysis of the cost savings program at Y-12 and Pantex.

According to NNSA officials, they did not gather information or document an analysis of the program because they did not plan to implement a cost savings program as part of future M&O contracts due to uncertainties regarding (1) the opportunities for similar savings at other sites, and (2) the federal costs involved in implementing and overseeing the cost savings program.

However, most existing NNSA management and operating contracts include a "cost reduction" clause, under which sites could implement a cost savings program with some attributes of the program at Y-12 and Pantex. In addition, NNSA could incorporate specific clauses into the contracts for the other sites when they are recompeted.

GAO recommended in its June 2020 report that NNSA gather data on and document an analysis of the cost savings program, including its cost effectiveness, to determine whether it is exportable to existing or future contracts.

NNSA agreed with the recommendation and told GAO it will complete this action by addressing other recommendations from GAO's report to share relevant lessons learned from the cost savings program with other sites and evaluate whether to require other sites to institute a cost baseline, which was one aspect of the cost savings program needed in order to measure savings.

GAO continues to believe that NNSA will not fully address this recommendation by implementing the other recommendations. During the GAO review, NNSA officials said they did not plan to implement the cost savings program at other sites because of uncertainties about potential savings at other sites and the costs of overseeing the program.

By gathering data and documenting an analysis of the program, including the cost-effectiveness, NNSA will be able to make better-informed decisions about whether to implement the program for other existing or future contracts. As of February 2021, NNSA has taken initial actions to address the recommendation. Specifically, NNSA officials reviewed data on the cost savings program and told us that they decided to continue a modified version of it under the new contract to manage and operate Y-12 and Pantex, which is currently being competed. NNSA officials said they will continue to gather data and plan to document an analysis of the modified program—including its cost-effectiveness—to make informed decisions about whether to implement a similar program for other existing or future contracts. GAO believes these are good first steps and will continue to monitor the implementation of this recommendation.

GAO cannot precisely estimate the amount of savings that would result from implementing a similar cost savings program for other existing or future contracts, as it would depend on when and how the action was taken, and on specific issues relevant to each site. However, if NNSA implemented a cost savings program at other sites and the contractors achieved savings at even half the rate achieved at Y-12 and Pantex, the agency could save hundreds of millions of dollars over a similar 5-year period.

Table 27 in appendix V provides budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to NNSA for review and comment. NNSA did not comment on this report section but provided status updates that were incorporated above.

Related GAO Product

National Nuclear Security Administration: Analyzing Cost Savings Program Could Result in Wider Use and Additional Contractor Efficiencies. GAO-20-451. Washington, D.C.: June 24, 2020.

24. IRS Taxpayer Service

The Internal Revenue Service should better serve taxpayers with limited-English proficiency, increase electronic filing of business tax returns, and reduce costs, such as overtime, which could save the agency **millions of dollars annually** and potentially enhance revenue.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Millions of dollars annually in cost savings and potential enhancement to tax revenue

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified nine actions for IRS to improve service to taxpayers, increase electronic filing of business tax returns, and reduce overtime and other costs. See GAO's *Action Tracker.*

Related GAO Products

GAO-21-251 and GAO-20-55

Contact Information

Jessica Lucas-Judy at (202) 512-6806 or lucasjudyj@gao.gov

The Internal Revenue Service (IRS) processes more than 150 million individual and business tax returns and provides service to tens of millions of taxpayers each year. Enhancing service is a key element in IRS's strategy for reducing the $441 billion average gross tax gap—the difference between the amount taxpayers owe and the amount they pay.

GAO identified areas for IRS to improve customer service, facilitate compliance with tax laws, and enhance revenue. For example, in January 2020, GAO found that IRS services to taxpayers with limited-English proficiency (LEP) were very limited and difficult to access, and inaccurate in some cases. Weaknesses in IRS procedures for reviewing and updating translated content led to outdated information on the agency's website. Further, decisions concerning translation of essential tax products and interpretive services for taxpayers with LEP were not assessed and documented.

GAO also found that IRS lacks a strategy for efficiently managing overtime, which could reduce costs. IRS increasingly relies on overtime hours to meet processing and service goals, which increases costs and can lead to employee burnout. In fiscal year 2018, IRS spent $82.8 million on overtime compensation. Additionally, GAO found that IRS had not fully assessed or monitored increasing time charges by staff for computer and phone system downtime that resulted in $7.55 million in unproductive time spent by customer service representatives in fiscal year 2018.

In March 2021, GAO found that costs increased due to IRS's reliance on manual processes and its limited ability to process paper returns remotely during the COVID-19 pandemic. For example, GAO found that about 23 percent of business tax returns were filed on paper, although an e-file option exists. IRS has not comprehensively identified barriers to e-filing among business filers. Addressing these barriers would help reduce the volume of costly paper-based work and improve service.

Further, during the pandemic, IRS transitioned nearly two-thirds of its customer service staff to telework, but could not do so for returns processing staff because most of this work could not be performed remotely. On average, about 68 percent of returns processing staff were on paid leave between late March and the end of the filing season in July.

In January 2020, GAO made three recommendations to IRS to improve services for taxpayers with LEP. GAO also made three recommendations in January 2020 to help IRS reduce costs for overtime and system downtime, and three in March 2021 to help IRS better manage paid leave related to the pandemic and identify and address barriers to e-filing for business filers.

IRS agreed with eight recommendations and has taken steps to implement five of them, including adding web content in more languages and translating the Form 1040 into Spanish. In July 2020, IRS told GAO it had identified potential factors contributing to system downtime, implemented changes, and expected to complete additional updates by May 2021.

IRS also agreed to assess barriers to business e-filing and address them, as feasible. IRS stated that its existing process for overtime use and approval is sufficient and that it plans no further action. GAO maintains that a strategy, in combination with IRS's strategic workforce planning initiative, would help ensure more efficient use of overtime.

IRS disagreed with GAO's recommendation related to managing paid leave, stating it had taken such action. GAO acknowledged these efforts but maintains that IRS could identify other work assignments for staff who cannot report to a work site but can telework.

Improving service to taxpayers with LEP could enhance their ability to understand and comply with their tax liabilities and potentially enhance revenue. Further, identifying and addressing barriers for businesses to file taxes electronically, and addressing system downtime, overtime, and implementing remote work in place of paid leave, could result in annual cost savings.

GAO cannot precisely estimate the financial benefit from taking these actions, since the amount would depend on the specific timing and changes made, but even a 1 percent reduction in some of the costs identified could amount to savings of $1 million or more.

Table 28 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

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

Related GAO Product

Tax Filing: Actions Needed to Address Processing Delays and Risks to the 2021 Filing Season, GAO-21-251, Washington, D.C.: March 1, 2021.

2019 Tax Filing: IRS Successfully Implemented Tax Law Changes but Needs to Improve Service for Taxpayers with Limited-English Proficiency, GAO-20-55, Washington, D.C.: January 15, 2020.

25. Schools and Libraries Program Fraud Risks

The Federal Communications Commission's implementation of leading fraud risk management practices in its Schools and Libraries program could help mitigate persistent fraud risks and help achieve potential cost savings associated with millions of dollars of overpayments.

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

More efficient and effective fraud risk management could mitigate potential overpayments

Implementing Entity

Federal Communications Commission

Link to Actions

GAO identified two actions for FCC to improve fraud risk management practices. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-606

Contact Information

Seto J. Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov

Since 1998, the Federal Communications Commission's (FCC) schools and libraries universal service support mechanism—commonly known as the "E-rate" program—has been a significant federal source of technology funding for K-12 schools and libraries across the nation to obtain affordable broadband and telecommunications services. In funding year 2019, the E-rate program received more than 35,000 applications and committed (i.e., authorized) approximately $2.4 billion to roughly 99,000 eligible schools and 11,000 libraries, according to FCC officials.

For E-rate program funding, schools and libraries apply each year to the Universal Service Administrative Company (USAC), the not-for-profit company that FCC designated to administer the program and which is supported by the Universal Service Fund.

For fiscal year 2020, FCC reported estimated overpayments of $88 million in the E-rate program, which it said stemmed from a number of root causes, including a lack of sufficient documentation to demonstrate program compliance.

In September 2020, GAO identified reliance on self-certifications on E-rate program forms as a key fraud risk. Without appropriate supporting documentation, the validity of information self-reported and self-certified cannot be determined, and potentially fraudulent activities—such as participants willfully providing misinformation to obtain payments for ineligible services—could be concealed.

GAO found that inherent overarching key fraud risk presents opportunities for participants—including schools, libraries, service providers, and E-rate consultants—to misrepresent dozens of self-certification statements on various E-rate program forms. GAO also found that FCC and USAC had yet to implement plans to comprehensively assess this identified fraud risk.

GAO also found that FCC and USAC faced challenges in effectively employing data analytics to support future fraud risk management activities, as called for in GAO's Fraud Risk Framework. For example, GAO found that USAC had not automated certain data-analytic tests to monitor data on a continuous, real-time basis, nor had it documented a plan that outlines its data-analytics strategy as part of its fraud risk management efforts.

GAO recommended that FCC (1) direct and coordinate with USAC to comprehensively assess fraud risks to the E-rate program, and (2) follow the leading practices in GAO's Fraud Risk Framework when designing and implementing data-analytics activities to prevent and detect fraud.

FCC agreed with the recommendations and outlined actions to address them. As of March 2021, FCC officials stated that a fraud risk assessment of the E-rate program will begin in the near term and that FCC and USAC are working collaboratively to incorporate the use of data-analytics activities in their fraud risk management plans.

Implementing these recommendations could help FCC identify opportunities to efficiently and effectively prevent, detect, and respond to potential E-rate fraud, address fraud risks, and mitigate related financial impacts, including millions of dollars in overpayments of E-rate funds.

GAO cannot estimate the magnitude of potential savings associated with these actions because the proportion of overpayments that result from fraud or identified fraud risks, such as those stemming from the lack of sufficient documentation, is unknown. Future savings will depend on the extent to which these actions improve fraud risk management and result in additional prevention, detection, and successful adjudication of fraud.

Table 29 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

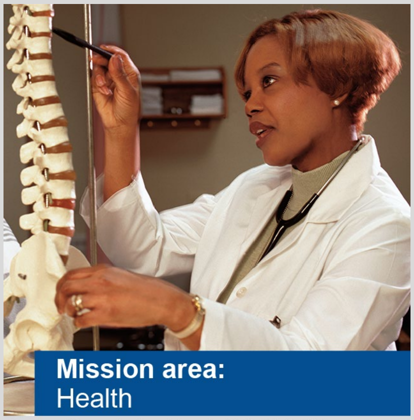
GAO provided a draft of this report section to FCC for review and comment. In its response, FCC officials stated that, together with USAC, FCC is taking steps to implement GAO's recommendations to mitigate fraud risks in the E-rate program. GAO believes these are good first steps and will continue to monitor the implementation of these recommendations.

Related GAO Product

Telecommunications: FCC Should Take Action to Better Manage Persistent Fraud Risks in the Schools and Libraries Program. GAO-20-606. Washington, D.C.: September 16, 2020.

26. Medicaid Financial Management Reviews

The Centers for Medicare & Medicaid Services should develop and implement time frames to ensure the timely completion of its financial management reviews, which could lead to the recovery of at least **$149 million**.



Source: Dynamic Graphics. I GAO-21-455SP

Potential Benefit

Recovery of at least $149 million in identified unallowable federal expenditures

Implementing Entity

Centers for Medicare & Medicaid Services

Link to Actions

GAO identified one action for CMS to develop and implement time frames to ensure the timely completion of financial management reviews. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-17

Contact Information

Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov

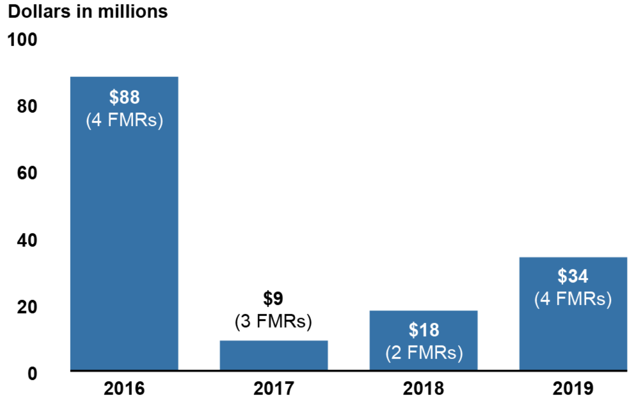
Over the last two decades, the Medicaid program more than tripled in terms of expenditures and doubled in terms of enrollment, growing from $169 billion and 31.4 million enrollees in 1998 to more than $597 billion and 72.8 million enrollees in 2018.

The Centers for Medicare & Medicaid Services (CMS), within the Department of Health and Human Services (HHS), is responsible for assuring that states' Medicaid expenditures comply with federal requirements, and financial management reviews (FMR) are one of its financial oversight tools. FMRs provide CMS with the opportunity to examine state Medicaid agencies' compliance with a variety of federal policies.

In October 2020, GAO reported that in fiscal years 2016 through 2020, CMS initiated 49 FMRs that frequently found one or more instances of states' non-compliance with federal requirements. For example, CMS identified internal control weaknesses and directed states to make changes to their Medicaid policies. CMS also identified instances of states' non-compliance totaling about $358 million in unallowable federal expenditures.

As of June 2020, CMS had not recovered $149 million (42 percent) of the unallowable federal expenditures. CMS officials said that at least five states would not take actions—such as returning federal funds—until they received CMS's complete report. Two other FMRs included financial findings, but the amounts owed have not been calculated.

Figure 3: Financial Management Reviews (FMR) Initiated in Fiscal Years 2016 to 2019 with Outstanding Unallowable Federal Expenditures, as of June 2020



Source: GAO analysis of Centers for Medicare & Medicaid Services information. | GAO-21-455SP

GAO recommended that CMS develop and implement timeframes to ensure the timely completion of FMRs. HHS concurred with GAO's recommendation.

GAO cannot precisely estimate the total amount CMS could recover by taking this action because the amount will depend on the number of FMRs completed and the specific amounts identified for recovery. However, if CMS recovered the identified unallowable federal expenditures, it would amount to at least $149 million.

Because CMS has not established time frames for completing its review of FMR reports, FMRs frequently remain under review for multiple years, often for no clear reason. CMS took steps during the course of GAO's review to complete FMR reports that had been under review for several years.

Nonetheless, the absence of explicit time frames for its internal review of FMR reports suggest that prolonged reviews are likely to recur in the future, delaying both the recovery of federal funds and important feedback to states on their Medicaid programs' vulnerabilities.

Table 30 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

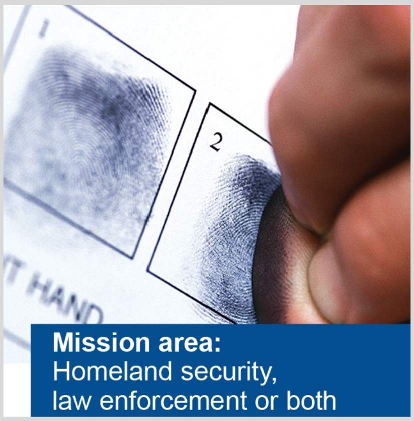
GAO provided a draft of this report section to HHS for review and comment. HHS did not provide comments on this report section.

Related GAO Product

Medicaid Program Integrity: Action Needed to Ensure CMS Completes Financial Management Reviews in a Timely Manner. GAO-21-17. Washington, D.C.: October 14, 2020.

27. Coast Guard Vessel Documentation User Fees

The U.S. Coast Guard could potentially save **millions of dollars** by evaluating the full costs for processing applications for vessel documentation and, if necessary, updating its user fees to reflect the full costs, thereby reducing reliance on general fund appropriations.



Mission area:
Homeland security, law enforcement or both

Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Millions of dollars

Implementing Entity

U.S. Coast Guard

Link to Actions

GAO identified one action for the Coast Guard to achieve cost savings. See GAO's *Action Tracker.*

Related GAO Product

GAO-21-100

Contact Information

Heather MacLeod at 202-512-8777 or MacLeodH@gao.gov

The U.S. Coast Guard's National Vessel Documentation Center collects millions of dollars in user fees annually to process hundreds of thousands of applications for vessel documentation. Vessel documentation is a national form of vessel registration that provides evidence of nationality for international travel and trade.

In fiscal year 2019, the Center's operations were funded by about $6.5 million in annual general fund appropriations and $11.9 million in user fee collections. To help recover the costs for its documentation services, the Center charges vessel owners user fees for commercial and recreational vessels. The Coast Guard may also use its annual appropriations to cover the salary costs of certain Center staff who review and process applications for commercial vessels.

In December 2020, GAO found that the Center's user fee collections for commercial vessel documentation services were $3.4 million less in 2019 than its estimated costs for commercial documentation services. According to Center data, its fiscal year 2019 commercial documentation services cost $6.5 million and it collected $3.1 million in user fees. GAO also found that the Coast Guard generally has not evaluated and calculated full costs for most of its vessel documentation services in almost 30 years.

Officials told GAO they had not completed a full cost study because, among other reasons, the rulemaking process to adjust its fees is time-consuming. Also, the potential resulting fee increases can be controversial.

GAO recommended in December 2020 that the Center conduct a full cost study of its commercial and recreational user fees. The Department of Homeland Security (DHS), of which the Coast Guard is a component, concurred with this recommendation and stated that the Center will do so after the Coast Guard develops a new information technology system.

DHS stated that the new information technology system and associated new automated processes would allow the Center to accurately assess the actual costs of providing services to the public, including new information technology support costs. DHS estimated that this system will be completed by March 31, 2022, after which the Center will undertake the full cost study. The estimated completion date of the full cost study is December 31, 2022.

Evaluating the full costs of its user fees, and adjusting them, if necessary, to accommodate changes in the costs for providing specific services could help the Coast Guard to more completely cover its costs, thereby reducing reliance on general fund appropriations.

Because the exact amount of savings would depend on the outcomes of those analyses, and the specifics of resulting decisions, GAO cannot precisely estimate the value of potential savings. However, given the gap between commercial user fee collections and costs, implementing this action could potentially save millions of dollars.

Table 31 in appendix V provides additional budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

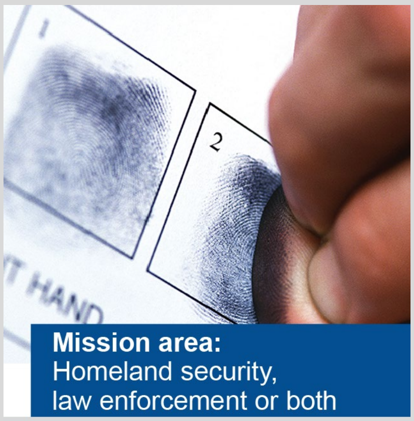
GAO provided a draft of this report section to DHS for review and comment. DHS provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Coast Guard: Actions Needed to Improve National Vessel Documentation Center Operations. GAO-21-100. Washington, D.C.: December 16, 2020.

28. Bureau of Prisons Staffing

The Bureau of Prisons should identify the safety and security risks associated with its increasing use of overtime to staff, inmates, and its institutions, and address these risks as appropriate, potentially saving **millions of dollars**.



Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Millions of dollars

Implementing Entity

Federal Bureau of Prisons

Link to Actions

GAO identified one action for BOP to assess the risks associated with use of overtime. See GAO's *Action Tracker*.

Related GAO Product

GAO-21-123

Contact Information

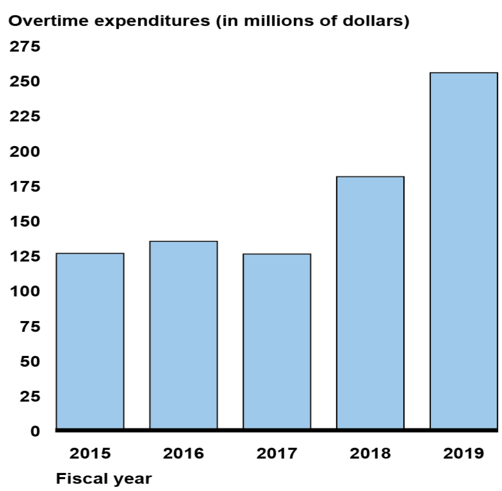
Gretta L. Goodwin at (202) 512-8777 or goodwing@gao.gov

As of November 2020, the Bureau of Prisons (BOP) within the Department of Justice was responsible for the custody and care of more than 150,000 federal inmates. These inmates are confined within BOP-managed facilities, privately managed facilities, and other types of facilities, such as residential reentry centers. BOP employed more than 37,000 individuals to manage the more than 125,000 federal inmates that were confined in BOP-managed facilities.

Although its inmate population has declined 25 percent since 2015, BOP has faced challenges fully staffing its institutions—that is, employing as many staff as authorized positions allow. This has raised questions about the effect of understaffing on the health (including mental health), safety, and well-being of staff and inmates, and the stressors of working in a corrections environment.

BOP has several practices for addressing staffing challenges, including the use of overtime. However, in February 2021, GAO reported that BOP's overtime expenditures increased 102 percent from about $126 million in fiscal year 2015 to about $255 million in fiscal year 2019—the most recent data available at the time of GAO's review.

Figure 4: Overtime Expenditures at Bureau of Prisons (BOP) Institutions from Fiscal Years 2015 through 2019



Source: GAO analysis of BOP Data. | GAO-21-455SP

Note: Data are expenditures in nominal dollars and have not been adjusted for inflation.

GAO also found that despite the year-over-year increase in its overtime use, BOP has not conducted a risk assessment to determine the impacts on staff and inmates, especially with regard to the safety of its institutions.

For example, BOP has not analyzed whether there is correlation between incidents of violence—or other misconduct in the prison—and longer shifts among staff who were working when such incidents occurred. Relatedly, BOP has not established accepted risk tolerance levels, even though officials stated that overtime is necessary but not ideal.

BOP officials told GAO that they have not assessed the risks primarily because they leave it to wardens at individual institutions to request and justify when overtime is warranted. However, *Standards for Internal Control in the Federal Government* state that agencies should identify, analyze, and respond to significant changes that could impact the internal control system. For BOP, such changes include its increasing use of overtime in the last several years.

In February 2021, GAO recommended that BOP conduct a risk assessment of its overtime use and BOP concurred. Implementing this recommendation would allow BOP to identify any potential health and safety risks that overtime poses. Further, doing so would position BOP to determine and implement any changes needed to address the risks of overtime use.

While GAO cannot precisely estimate the savings, if overtime costs were reduced by even 1 percent, BOP could potentially save millions of dollars.

Table 32 in appendix V provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

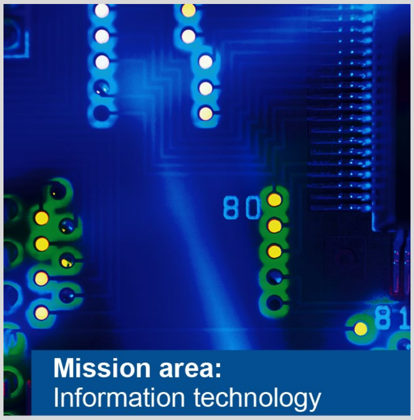
GAO provided a draft of this report section to the Department of Justice for review and comment. The department did not provide comments on this report section.

Related GAO Product

Bureau of Prisons: Opportunities Exist to Better Analyze Staffing Data and Improve Employee Wellness Programs. GAO-21-123. Washington, D.C.: February 24, 2021.

29. Federal Agencies' Telecommunications Transition Planning Practices

Federal agencies could save **tens of millions of dollars** on telecommunications by analyzing their requirements to help identify areas that could be optimized and services that could be shared across agencies.



Source: PhotoDisc. I GAO-21-455SP

Potential Benefit

Tens of millions of dollars

Implementing Entity

Departments of Agriculture, Commerce, Health and Human Services, Labor, State, Transportation, and Veterans Affairs; and the National Aeronautics and Space Administration, the Securities and Exchange Commission, and the Social Security Administration.

Link to Actions

GAO identified 10 actions for the agencies to take to perform strategic analyses of their telecommunications requirements. See GAO's *Action Tracker*.

Related GAO Product

GAO-20-155 and GAO-17-464

Contact Information

Carol C. Harris at (202) 512-4456 or harriscc@gao.gov

The General Services Administration (GSA) is responsible for ensuring that federal agencies have access to the telecommunications services to meet mission requirements. GSA's current telecommunications contracts support not only agencies' basic telephone needs but also provide an acquisition vehicle for wireless and satellite services, managed network services, and information technology (IT) security services.

According to data provided by GSA officials, in fiscal year 2019 federal agencies spent about $2.5 billion on services acquired through these contracts. In preparation for the May 2023 expiration of these telecommunications contracts, GSA has developed a successor program known as Enterprise Infrastructure Solutions (EIS). According to GSA, because of the consolidated buying power it has under GSA contracts, it realized a savings with EIS prices that average 21 percent lower than the current contract. GSA and agencies now face the challenge of transitioning to EIS contracts; previous contract transitions experienced significant delays resulting in hundreds of millions of dollars in increased costs and missed savings.

In September 2017, GAO reported that, among other things, the five agencies it reviewed—the Departments of Agriculture (USDA), Labor (DOL), and Transportation (DOT); the Securities and Exchange Commission (SEC), and the Social Security Administration (SSA)-–had yet to fully apply most of the five planning practices previously identified by GAO as key to a successful telecommunications transition.

These established practices—e.g., developing an accurate inventory of telecommunications services and performing a strategic analysis of telecommunications requirements—can help agencies reduce the risk of experiencing adverse effects of moving from one broad telecommunications contract to another. An analysis of system requirements would help agencies identify future telecommunications needs, optimize telecommunications services, and explore sharing telecommunications services. More recently, in April 2020, GAO found that another five agencies it reviewed—the Departments of Commerce (Commerce), Health and Human Services (HHS), State (State), and Veterans Affairs (VA); and the National Aeronautics and Space Administration (NASA)—had partially implemented all established planning practices.

The agencies provided various reasons for partially implementing the practices. For example, transition officials at Commerce, NASA, and VA said that they were not responsible for tracking all of the telecommunications services in use at their agencies so they were unable to provide complete telecommunications inventories. These officials also said that their agencies planned to implement certain practices after they issue their EIS task orders.

Additionally, USDA, DOL, DOT, SEC, and SSA provided various reasons for not following planning practices, including uncertainty due to delays in GSA awarding the new contracts and plans to implement practices later as part of established agency procedures for managing IT projects. However, limited time remains to complete the transition before the current telecommunications contracts expire. In 2017 and in 2020, GAO recommended that the respective agencies perform a strategic analysis of telecommunications requirements to identify areas for optimization and sharing of resources. All 10 agencies agreed with GAO's recommendation. As of March 2021, HHS and VA described ongoing efforts to implement strategies to identify and plan for future needs. SEC described actions it had taken to improve its planning, but did not demonstrate it had identified areas for optimization. GAO will continue to monitor these recommendations.

GAO cannot precisely estimate the magnitude of savings that would result from taking these actions, because the amount would depend on agencies' plans for completing their transition and the timeline for transition, including any potential delays. However, if the two agencies in GAO's review that spent the most on telecommunications in fiscal year 2018 were able to achieve even one-third of the cost reduction reported by GSA after their transition, it could amount to tens of millions of dollars in potential savings.

Table 33 in appendix V provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to USDA, Commerce, HHS, Labor, State, SEC, SSA, DOT, VA, and NASA for review and comment. USDA, Commerce, Labor, State, SSA, DOT, and NASA had no comments. HHS, SEC, and VA provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Telecommunications: Agencies Should Fully Implement Established Transition Planning Practices to Help Reduce Risk of Costly Delays. GAO-20-155. Washington, D.C.: April 7, 2020.

Telecommunications: Agencies Need to Apply Transition Planning Practices to Reduce Potential Delays and Added Costs. GAO-17-464. Washington, D.C.: September 21, 2017.

Appendix IV: New Actions Added to Existing Areas

We are adding 10 new actions based on GAO reports that fall within the scope of four existing areas identified in prior annual reports.

New Action Added to Existing Area

Source: Department of Defense/ Helene C. Stikkel. I GAO-21-455SP

Prepositioning Programs

In March 2021, GAO identified a new action to help the Department of Defense improve oversight of the military services' prepositioning programs and reduce potential duplication and fragmentation.

GAO product with new actions: GAO-21-358

Updates on prior actions:

- Three actions have been addressed and two actions have been partially addressed.
- See the *Action Tracker* for more information.

The military services preposition critical assets worldwide for various uses such as during combat or disasters. In March 2021, GAO found that the Department of Defense (DOD) has taken steps to implement a joint oversight framework but does not have a complete view of the services' prepositioning programs. Although DOD revised two guidance documents to establish this framework, it has focused much of its joint efforts on preparing an annual status report to Congress required by section 2229a of title 10 of the U.S. Code. With the impending (December 2021) expiration of this requirement, DOD has an opportunity to create a new reporting mechanism or modify existing mechanisms or tools to enable a complete picture of the services' prepositioning programs. By doing so, DOD could better improve its joint oversight, identify gaps or redundancies in the services' programs, and reduce potential duplication and fragmentation.

New Actions: GAO recommended in March 2021 that DOD develop and implement a new reporting mechanism or information-collection tool, or modify existing mechanisms or tools, to gather complete information about the military services' prepositioning programs for joint oversight purposes and to reduce potential duplication and fragmentation.
Agency Comments and GAO's Evaluation: DOD agreed with this recommendation. GAO provided a draft of this report section to DOD for review and comment. DOD did not provide comments on this report section.

New Action Added to Existing Area

Source: Department of Defense/ Helene C. Stikkel. I GAO-21-455SP

Weapon Systems Acquisition Programs

In October 2020, GAO identified one new action for the Army to make informed decisions related to weapon systems modernization to better manage fragmentation involving certain agreements for prototype projects.

GAO product with new actions: GAO-21-8

Updates on prior actions:

- Eight previous actions have been partially addressed.
- See the *Action Tracker* for more information.

GAO reported in October 2020 that from fiscal years 2017 through 2019, the Army tripled its obligations to nearly $9.4 billion on other transaction agreements for prototype projects, which can be used to evaluate the feasibility or utility of a technology. Army organizations with shared interests in weapon systems development have not regularly collaborated to analyze their use of these agreements that can straddle the line of responsibility between development and acquisition. Specifically, GAO found the Army's focal point for weapon systems modernization—Army Futures Command—does not collaboratively analyze agreement use with a key acquisition stakeholder—the Assistant Secretary of the Army for Acquisition, Logistics, and Technology. Coordinated analyses of the distribution and trends related to using these agreements could help Army stakeholders avoid making modernization decisions using fragmented information.

New Actions: GAO recommended in October 2020 that the Secretary of the Army should direct the Army Futures Command, in collaboration with the Army Contracting Command and the Assistant Secretary of the Army for Acquisition, Logistics, and Technology, to regularly analyze information on the use of prototype other transactions for Army modernization.
Agency Comments and GAO's Evaluation: The Army agreed with this recommendation. GAO provided a draft of this report section to the Army for review and comment. The Army did not have comments on this report section.

New Action Added to Existing Area

Mission area:
General government

Source: PhotoDisc. I GAO-21-455SP

Department of Transportation Operational Improvements

In August 2020, GAO identified two new actions that the Department of Transportation can take to improve internal collaboration, and the reliability of information related to the department's research activities.

GAO product with new actions: GAO-20-622

Updates on prior actions:

- One action has been addressed.
- See the *Action Tracker* for more information.

To help ensure research collaboration across nine Department of Transportation (DOT) agencies—focusing on specific modes of transportation such as air, rail, and highways—and a joint program office, DOT's Office of the Assistant Secretary for Research and Technology (OST-R) established multimodal topical research working groups in areas such as Cybersecurity, Human Factors, and Automation. In August 2020, GAO found that OST-R guidance to the groups generally incorporated five leading collaboration practices, but only partially incorporated two others, related to long-term outcomes and written agreements, which could further help DOT manage fragmented research activities. OST-R also manages a database, called the Research Hub, intended to foster collaboration. OST-R has taken steps to ensure the database contains complete and accurate information; however, GAO found that data reliability issues remained. Taking additional steps to improve the quality of the database's information would help ensure the database provides more reliable information on DOT's research.

New Actions: To better manage research activities, GAO recommended in August 2020 that DOT's Assistant Secretary for Research and Technology take steps to (1) ensure that the topical-research working groups both define and monitor progress toward long-term outcomes and regularly update written agreements to reflect these outcomes in line with leading practices; and (2) ensure that the information in the Research Hub is complete and accurate. DOT agreed with the two recommendations.

Agency Comments and GAO's Evaluation: GAO provided a draft of this report section to DOT for review and comment. In its response, DOT provided technical comments, which GAO incorporated as appropriate, and indicated it plans to address GAO's two recommendations by October 2021.

New Action Added to Existing Area

Source: PhotoDisc. | GAO-21-455SP

Federal Data Centers

In March 2020, GAO identified two new actions to help the Office of Management and Budget improve data center consolidation and optimization reporting. GAO also identified four new actions to help federal agencies meet data center cost savings and optimization goals, which could result in **hundreds of millions of dollars** in savings.

GAO product with new actions: GAO-20-279

Updates on prior actions:

- Three actions have been addressed, one action has not been addressed, and 34 actions have been partially addressed.
- See the *Action Tracker* for more information.

Federal agencies operate thousands of data centers. Since 2010, the Office of Management Budget (OMB) has required agencies to close unneeded facilities and improve the performance of the remaining centers. This effort, known as the Data Center Optimization Initiative (DCOI), has resulted in agencies reporting more than 6,350 centers closed and $5.8 billion saved. However, several agencies fell short of their goals. In addition, OMB issued revised guidance in June 2019 that narrowed the definition of a data center, resulted in the reporting of over 2,000 fewer facilities government-wide, and introduced weaknesses (e.g., missing statistical universe parameters that would enable determinations of progress) in OMB's optimization metrics.

New Actions: GAO recommended in March 2020 that OMB (1) require agencies to report those facilities previously reported as data centers, and (2) take action to address the key performance measurement characteristics missing from DCOI's metrics. GAO also recommended that three agencies take action to meet their cost savings or metrics targets. Based on agencies' estimates for similar prior actions, GAO anticipates potentially hundreds of millions of dollars in additional savings over time. While OMB did not agree or disagree with GAO's recommendations, the other agencies agreed and are taking action.

Agency Comments and GAO's Evaluation: GAO provided a draft of this report section to OMB, the Departments of Agriculture (USDA) and Commerce (Commerce), and the National Aeronautics and Space Administration (NASA) for review and comment. NASA said it expected to meet its 2020 savings target but had not provided documentation as of March 2021. OMB, USDA, and Commerce had no comments.

Appendix V: 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 and available data for the most recent fiscal year or we 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.[1]

Because of the limitations described above, the budgetary information reported in this appendix should not be totaled and does not represent potential cost savings for all programs.

Table 5: Area 1 Cell-Cultured Meat Oversight: Related Program Information

Agency	Program description
Food and Drug Administration (FDA)	FDA is responsible for protecting public health by ensuring the safety, efficacy, and security of human and veterinary drugs, biological products, and medical devices, and by ensuring the safety of the nation’s food supply, cosmetics, and products that emit radiation.
Food Safety Inspection Service (FSIS)	FSIS is responsible for ensuring that the nation’s commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged.

Source: GAO analysis of agency information. | GAO-21-455SP

[1]An obligation occurs when the government makes a commitment to pay for goods and services ordered or received, such as by placing an order, signing a contract, awarding a grant, or purchasing a service. In contrast, an outlay is the issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. For more information on budget terminology, see GAO, *A Glossary of Terms Used in the Federal Budget Process (Supersedes AFMD-2.1.1),* GAO-05-734SP (Washington, D.C.: Sept. 1, 2005).

Table 6: Area 2 Dependency Determination Policy for Incapacitated Adult Children of Servicemembers: Related Program Information

Agency	Program name	Program description
Department of Defense	Dependency Determinations for Incapacitated Adult Children of Servicemembers	Servicemembers with incapacitated adult children are required to complete a secondary dependency determination application to seek the continuation of these benefits and privileges after age 21. Secondary dependency determination refers to the process of determining whether an individual is eligible for military benefits as a secondary dependent. Secondary dependents include a parent, parent-in-law, step-parent, parent by adoption, or any person who stood ‘in-loco parentis’ (in place of the parent); and unmarried children ages 21 and 22 who are full-time students, a ward of the court, or an unmarried child over age 21 who is incapable of self-support. Once incapacitated adult child dependency is established, servicemembers must submit an application for redetermination every 4 years (or sooner, if the incapacitation is determined to be temporary). This process is referred to as the quadrennial redetermination process. If an incapacitated adult child is not approved during the secondary dependency determination or redetermination process, that child loses his or her dependency status, including the loss of healthcare and other benefits.

Source: GAO analysis of Department of Defense guidance. | GAO-21-455SP

Table 7: Area 3 DOD Real Property Records: Related Program Information

Agency	Program name	Program description
Department of Defense	Real Property	The department manages one of the federal government’s largest portfolios of real property, with more than 603,000 assets (buildings, structures, and linear structures) located on more than 4,600 sites worldwide as of the beginning of fiscal year 2020. These real property assets are on sites located in all 50 states, the District of Columbia, seven U.S. territories, and more than 40 foreign countries.

Source: GAO analysis of the Department of Defense’s fiscal year 2020 Financial Report. | GAO-21-455SP

Table 8: Area 4 Natural Gas Export Facilities: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 obligations (dollars)
Federal Energy Regulatory Commission	Office of Energy Projects	The Office of Energy Projects is responsible for, among other things, reviewing applications and ultimately permitting the construction and operation of onshore liquefied natural gas export facilities. This includes reviewing the technical, safety, environmental, and other elements of proposed facilities. The program also prepares environmental assessments or impact statements for proposed facilities, in cooperation with other agencies. Additionally, the program conducts oversight inspections of facilities under construction and during operation.	6,316,746

Source: GAO analysis of Federal Energy Regulatory Commission information. | GAO-21-455SP

Table 9: Area 5 Arctic Maritime Infrastructure: Related Program Information

Agency	Program name	Program description
National Oceanic and Atmospheric Administration, Department of Commerce	Oceanic and Atmospheric Research National Ocean Service National Weather Service National Environmental Satellite Data and Information Service	Conducts research and provides weather and climate services, sea ice forecasting, nautical charting and other navigation services, and oil spill preparedness and response.
U.S. Army Corps of Engineers, Department of Defense	Alaska District	Constructs and maintains channels, harbors (including ports), and waterways.
U.S. Navy, Department of Defense	Chief of Naval Operations	Executes core national defense functions, such as deterrence and power projection. Also provides maritime security, including supporting U.S. Coast Guard operations.
U.S. Coast Guard, Department of Homeland Security	Marine Transportation Systems Office of Navigation Systems District 17	Conducts all Coast Guard statutory missions, including to: enforce laws and regulations, ensure port and waterways security, conduct search and rescue, advance navigation safety, and maintain an icebreaker fleet to support operational demands in the Arctic.
Bureau of Ocean Energy Management, Department of the Interior	Alaska Region Office	Manages the development of oil, natural gas, and mineral resources on Alaska's Outer Continental Shelf.
Bureau of Safety and Environmental Enforcement, Department of the Interior	Oil Spill Preparedness Division Alaska Region Office	Regulates oil spill preparedness of offshore oil and gas activities and research oil spill preparedness and response.

Agency	Program name	Program description
Department of State	Office of Ocean and Polar Affairs	Develops and coordinates U.S. policy affecting the Arctic region, such as freedom of navigation and environmental stewardship.
Maritime Administration, Department of Transportation	Office of International Activities	Fosters and promotes the U.S. maritime industry to strengthen the marine transportation system, including landside infrastructure.

Source: GAO analysis of federal agency information. | GAO-21-455SP

Note: In most cases, these agencies do not have specific programs that are focused on U.S. Arctic infrastructure. Rather, agency officials said that they currently base Arctic infrastructure decisions on their agency-specific missions, strategies, and collaborative efforts. Specifically, agency officials said that securing the resources to address U.S. Arctic infrastructure is challenging because such projects must compete with other established agency mission areas.

Table 10: Area 6 Category Management: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations (dollars)
Office of Management and Budget (OMB)	Category management initiative	In its overarching guidance for category management, OMB uses the term “category management” to refer to the business practice of buying common goods and services as a single enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the government’s acquisition programs.	354,000,000,000

Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-21-455SP

Note: Fiscal year 2019 obligations reflect annual spending by all federal agencies that procure common goods and services included under the category management initiative.

Table 11: Area 7 Employment-Related Identity Fraud: Related Program Information

Agencies	Program name	Program description
Social Security Administration (SSA) and Internal Revenue Service (IRS)	Combined Annual Wage Reporting	Process by which SSA and IRS exchange Form W-2, Wage and Tax Statement information between the two agencies. SSA uses exchanged information to effectively administer benefit payments for certain programs, while IRS uses it to help ensure compliance with tax laws.

Source: GAO analysis of SSA and IRS information. | GAO-21-455SP

Table 12: Area 8 Procurement Technical Assistance to Small Businesses: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2021 appropriations (dollars)
Department of Defense	Procurement Technical Assistance Program	Procurement Technical Assistance Centers help businesses pursue and perform government contracts.	48,000,000[a]
Small Business Administration	Small Business Development Centers Program	Small Business Development Centers provide counseling and training to current and prospective small business owners	136,000,000[b]

Source: GAO analysis of Department of Defense and Small Business Administration Information. | GAO-21-455SP

[a]See Pub. L. 116-260, div. C., title II, 134 Stat. 1182, 1289 (2020).

[b]See Pub. L. 116-260, div. E, title V, 134 Stat. at 1421. In addition, the CARES Act appropriated for fiscal year 2020, to remain available through fiscal year 2021, $265 million for SBA's Entrepreneurial Development Programs. Pub. L. 116-136, div. A, Title I, § 1107(a)(4), 134 Stat. 281, 301-302 (2020). Of that amount $192 million was to be made available for grants to Small Business Development Centers. See Pub. L. 116-136, div. A, title I, §§ 1103(b)(3)(A), 1107(a)(4)(A), 134 Stat. at 295, 302 (as amended by Pub. L. 116-260, div. N, title III, § 346, 134 Stat. at 2052).

Table 13: Area 9 Publicly Available Federal Real Property Data: Related Program Information

Agency	Program name	Program description
General Services Administration	Federal Real Property Profile – Publicly Available Data	Single, comprehensive, descriptive public database of federal real property, based on information provided by land-holding agencies

Source: GAO analysis of General Services Administration information. | GAO-21-455SP

Table 14: Area 10 Third-Party Information Reporting: Related Program Information

Agency	Program Activity	Program description
Internal Revenue Service (IRS)	Third-Party Information Reporting	IRS receives 50 unique types of information returns that it uses to verify information reported by taxpayers on individual income tax returns. Information returns are filed by third-party filers such as employers, businesses, and health insurance providers and provide information on taxable transactions to government agencies, including IRS and the Social Security Administration, as well as taxpayers. IRS identifies mismatches between the information reported by third parties and taxpayers for additional attention, including enforcement action. Third-party filers submit most information returns electronically through IRS's Filing Information Returns Electronically System. IRS also receives paper information returns, which are processed either through an automated system that uses optical character recognition to transcribe information, or through manual transcription of the data. IRS compliance programs use data posted on taxable transactions from information returns to (1) identify cases of potential noncompliance and fraud; (2) select cases from within this pool to be addressed by a compliance program; and (3) determine accurate tax liability. Some compliance programs use information returns to help identify and detect fraud and noncompliance among taxpayers filing tax returns, as well as for those failing to file tax returns.

Source: GAO analysis of IRS information. | GAO-21-455SP

Table 15: Area 11 Antibiotic Resistance Diagnostic Test Research: Related Program Information

Agency	Program name	Program description
Department of Health and Human Services	National Action Plan for Combating Antibiotic-Resistant Bacteria, Goal 3: Advance Development and Use of Rapid and Innovative Diagnostic Tests for Identification and Characterization of Resistant Bacteria	A program developed in response to Executive Order No. 13676 to guide activities by the U.S. government to address the challenge of antibiotic-resistant bacteria. The specific goal, among others, is intended to address the development and use of diagnostic tests to identify antibiotic-resistant infections.

Source: GAO analysis of White House documents and GAO-20-341. | GAO-21-455SP

Table 16: Area 12 Infectious Disease Modeling: Related Program Information

Agency	Modeling Program Activity	Description
Office of the Assistant Secretary for Preparedness and Response (ASPR)	Centralized	ASPR conducts modeling from a centralized modeling unit. According to ASPR officials, as of February 2020, this unit was staffed by about nine people who are a mix of federal and contract employees. ASPR uses models for a variety of purposes, including the number of therapeutics and vaccine doses needed to respond to a disease outbreak. It also maintains a Visualization Hub that can be used for outbreak planning and response, including for outbreaks of pandemic influenza and other emerging infectious diseases.
Centers for Disease Control and Prevention (CDC)	Decentralized, multiple CDC centers conduct modeling	CDC's modeling is decentralized and integrated into the individual centers, institute, and offices that make up the agency. Additionally, some CDC modeling efforts are conducted externally to the agency. According to CDC, as of October 2018, approximately 70 staff members participated in modeling studies. According to officials, modeling is done differently for each disease. The amount and type of modeling varies across centers, in part because some centers have less capacity to model than others. CDC employs modeling for a variety of purposes, including to guide disease preparedness and response efforts.
Food and Drug Administration (FDA)	Centralized	FDA officials indicated they conduct modeling from a centralized team. According to FDA officials, as of November 2018, approximately 12 people work on this team, which performs quantitative risk assessment to answer regulatory questions. FDA conducts a specific type of modeling for blood safety that is focused on emerging infectious disease, according to officials.

Source: GAO-20-372, analysis of FDA information, and interview with FDA officials. | GAO-21-455SP

Table 17: Area 13 Medicaid Claims Processing and Information Retrieval Systems: Related Program Information

Agency	Program name	Program description
Centers for Medicare & Medicaid Services (CMS)	Medicaid Management Information Systems (MMIS) and Eligibility and Enrollment (E&E) systems.	Under federal law, each state is eligible to receive reimbursement from federal funds for the development and operations of their Medicaid claims processing and information retrieval systems, including the MMIS and E&E systems (42 U.S.C. § 1396b(a)(3)(A)(i), 42 C.F.R. § 433.112(c)). These systems are key to administering Medicaid because they maintain data on enrollees, including health care services covered, expenditures, and claims data. CMS's Data and Systems Group is responsible for, among other things, supporting states in the development and maintenance of MMIS and E&E systems. In addition, this group is responsible for the review and approval of MMIS and E&E funding requests.

Source: GAO analysis of CMS data. | GAO-21-455SP

Table 18: Area 14 VA Graduate Medical Education Reimbursement: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 obligations (dollars)
Department of Veterans Affairs (VA)/Veterans Health Administration (VHA)	Graduate Medical Education (GME) program	Under the GME program, VA medical facilities enter into agreements with affiliated academic institutions, such as medical schools and teaching hospitals, to share responsibility for training medical and dental residents. VA medical facilities also enter into GME disbursement agreements to reimburse affiliates for residents' salaries and benefits. VHA's GME program is administered by its Office of Academic Affiliations. Oversight mechanisms include the following: • VHA's primary policy for oversight of GME disbursement agreements is its disbursement agreement handbook, which was last updated in 2015. This handbook includes required GME disbursement operational procedures for VA medical facilities, such as educational activity record keeping and reimbursing and reconciling affiliate invoices for resident time at each VA facility. • To ensure that VA medical facilities have adequate record keeping and payment practices, VHA's handbook requires that VA medical facilities conduct periodic internal audits of their GME disbursement agreements. These periodic audits are to be completed by a team of VA medical facility staff who do not serve in positions directly involved in the management or monitoring of the facility's disbursement agreements. • In December 2018, VHA's Office of Academic Affiliations and Office of Compliance and Business Integrity collaborated to implement a new oversight mechanism—the Resident Disbursement Audit Process (ReDPro) checklist—intended to enhance oversight and monitor VA medical facilities' adherence with GME disbursement agreement policy. The ReDPro checklist examines, among other things, whether facilities are completing required periodic audits of disbursement agreements. The ReDPro checklist reviews are completed by VA medical facility compliance officers.	782,000,000

Source: GAO analysis of VHA information. | GAO-21-455SP

Note: For more information about the VA GME program and these oversight mechanisms, see GAO, *VA Health Care: Actions Needed to Improve Oversight of Graduate Medical Education Reimbursement*, GAO-20-553 (Washington, D.C.: July 2020).

Table 19: Area 15 Chemical Security: Related Program Information

Agency	Program name	Program description
Department of Homeland Security	Chemical Facility Anti-Terrorism Standards program	**Scope:** The purpose of the Chemical Facility Anti-Terrorism Standards program is to enhance the security of our nation by lowering the risk posed by certain chemical facilities. The program obtains information from facilities with threshold quantities of certain chemicals and uses a risk-based approach to evaluate chemical facilities to determine whether these facilities are high risk (around 3,400 designated high risk out of 48,000 required to report under that program). All facilities designated as high risk must complete and submit a security vulnerability assessment and site security plan that describes the existing and planned security measures to be implemented to be in compliance with the applicable risk-based performance standards. Chemical Facility Anti-Terrorism Standards inspectors conduct an authorization inspection prior to approving a facility's site security plan, and once the plan is approved, conduct compliance inspections. **Enforcement:** Administrative Order, Order Assessing Civil Penalty, and Order to Cease Operation.
Department of Homeland Security, U.S. Coast Guard	Maritime Transportation Security Act of 2002 (MTSA) program	**Scope:** The MTSA program is designed to deter a transportation security incident, which can include protecting the nation's ports and waterways from terrorist attacks. The MTSA facility security plan program applies to, among other things, waterfront facilities handling liquefied natural gas and liquefied hazardous gas, waterfront facilities transferring oil or hazardous material in bulk, and facilities that receive cargo vessels larger than 100 gross registered tons, with some exceptions. There are around 3,000 MTSA-regulated facilities, all of which are generally excluded facilities under the Chemical Facility Anti-Terrorism Standards program. MTSA-regulated facilities are required to, among other things, designate a facility security officer, ensure that a facility security risk assessment was conducted, and ensure that a facility security plan is approved and implemented for facilities. The Coast Guard is to conduct annual inspections at each facility. **Enforcement:** Civil penalties.
Department of Homeland Security, Transportation Security Administration	Transportation Security Administration rail security program	**Scope:** The Transportation Security Administration rail security program regulates rail operations at certain, fixed-site facilities that ship or receive (in high-threat urban areas) specified hazardous materials by rail. This program requires that regulated facilities designate rail security coordinators and report significant security concerns. The program further requires that such facilities implement chain of custody requirements to ensure a positive and secure exchange of specified hazardous materials. The Transportation Security Administration conducts inspections of selected rail shippers and receivers operating in high-threat urban areas each year. **Enforcement:** Civil penalties.

Agency	Program name	Program description
Department of Homeland Security, Transportation Security Administration	Transportation Security Administration pipeline security program	**Scope:** The Transportation Security Administration pipeline security program is designed to enhance the security preparedness of the nation's hazardous liquid and natural gas pipeline systems. There are more than 3,000 pipeline operators, but the top 100 represent approximately 85 percent of the energy transmission in the U.S. The program has guidelines that address the physical security and cybersecurity of transmission and distribution pipeline systems. The Transportation Security Administration is responsible for conducting voluntary security reviews that assess the extent to which the 100 most critical pipeline operators are following Transportation Security Administration's Pipeline Security Guidelines, including voluntary assessments about once every 3 to 5 years. **Enforcement:** Voluntary.
Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives	Bureau of Alcohol, Tobacco, Firearms and Explosives explosive materials program	**Scope:** The Bureau of Alcohol, Tobacco, Firearms and Explosives explosive materials program regulates, through licenses and permits, the purchase, possession, storage, and use of explosives. It also conducts inspections approximately once every 3 years. The purpose of the Bureau's explosive materials regulations is to ensure public safety through the safe storage of explosives in properly constructed, maintained, located, and secured containers. For around 10,000 licensees and permittees with facilities that possess or store regulated explosives, the program requires certain safety precautions related to the storage of the materials, such as prescribed distances of outdoor storage containers from inhabited buildings, passenger railways, public highways, or other containers in which explosive materials are stored. **Enforcement:** Civil and criminal penalties.
Environmental Protection Agency	America's Water Infrastructure Act program	**Scope:** The America's Water Infrastructure Act program requires community water systems that serve more than 3,300 people (about 7 percent of public water systems) to certify to EPA that they have developed or updated risk assessments and emergency response plans. There are around 10,400 public water systems, all of which are excluded under the Chemical Facility Anti-Terrorism Standards program. The focus of the assessments and plans is the risks of a malevolent act or natural hazard on the public health and the safety and supply of drinking water provided to communities and individuals. Further, every 5 years, these water systems must review the risk assessment and submit a recertification to the Environmental Protection Agency that the assessment has been reviewed and, if necessary, revised. Environmental Protection Agency officials stated that because America's Water Infrastructure Act does not require community water systems to submit the risk assessments and emergency response plans, they do not review the risk assessment or independently verify the security measures listed in the emergency response plans. **Enforcement:** Civil penalties.

Agency	Program name	Program description
Environmental Protection Agency	Risk Management Program	**Scope:** The purpose of the Environmental Protection Agency's Risk Management Program is to prevent accidental releases of substances that can cause serious harm to the public and the environment from short-term exposures and to mitigate the severity of releases that do occur. The Risk Management Program covers around 12,000 facilities with threshold quantities of certain potentially dangerous chemicals and generally requires them to develop plans that are to summarize the potential effects of accidental releases of certain chemicals, including an evaluation of the off-site effects of a worst-case release scenario and the facility's emergency response program to prevent releases and mitigate any damage. The Environmental Protection Agency may conduct periodic compliance audits of related documentation, and on-site inspections, prioritized based on risk. **Enforcement:** Notices of violation, administrative orders, monetary fines and penalties, injunctive relief, and supplemental environmental projects.
Environmental Protection Agency	Resource Conservation and Recovery Act hazardous waste management program	**Scope:** The objective of Environmental Protection Agency's Resource Conservation and Recovery Act hazardous waste management program is to ensure that hazardous waste is managed in a manner that protects human health and the environment. The program establishes standards applicable to hazardous waste generators and owners and operators of hazardous waste treatment, storage, and disposal facilities (around 45,000 large quantity generators and around 700 treatment, storage, or hazardous waste disposal facilities). The Resource Conservation and Recovery Act program regulates generators based on how much hazardous waste they produce each month. Hazardous waste treatment, storage, and disposal facilities must obtain permits to provide them with the legal authority to treat, store, and dispose of hazardous waste that detail how the facility must comply with Environmental Protection Agency regulations. The Resource Conservation and Recovery Act mandates that EPA inspect hazardous waste treatment, storage, and disposal facilities at least every 2 years. **Enforcement:** Administrative orders, civil and criminal penalties.

Agency	Program name	Program description
Department of Transportation	Hazardous materials transportation program	**Scope:** The Department of Transportation hazardous materials transportation program is generally intended to improve public safety by preventing and mitigating accidents related to hazardous materials transportation and facilitating emergency response for any such accidents. The program requires certain safeguards for certain hazardous materials transported in certain quantities by rail, highway, air, or water and regulated around 14,000 facilities and transporters companies. The Department of Transportation regulates entities that offer hazardous materials for transport and entities that transport hazardous materials. These entities are required to develop security plans and are subject to compliance inspections. **Enforcement:** Administrative orders, civil and criminal penalties.

Source: GAO analysis of federal laws and regulations as well as federal agency data and information. | GAO-21-455SP

Table 20: Area 16 Federal Cybersecurity Requirements and Assessments of States: Related Program Information

Agency	Program name	Program description
Centers for Medicare & Medicaid Services	Office of Information Technology	The *Minimum Acceptable Risk Standards for Exchanges* program provides guidance to state administering entities and their contractors responsible for implementing privacy and security controls specified in regulations implementing the Patient Protection and Affordable Care Act (45 C.F.R. §§ 155.260, 155.280).[a]
Department of Justice, Federal Bureau of Investigation's Criminal Justice Information Services (CJIS) Division	Criminal Justice Information Services Division	The *CJIS Security Policy* program incorporates presidential directives, federal laws, Federal Bureau of Investigation directives, and criminal justice Advisory Policy Board recommendations, with the intent of providing guidance on minimum security controls and requirements needed to access, protect, and safeguard CJIS information. Further, part 20 of title 28, Code of Federal Regulations, provides regulatory limitations on the dissemination of criminal history record information, a subset of criminal justice information.
Internal Revenue Service	Office of Safeguards	The *Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies: Safeguards for Protecting Federal Tax Returns and Return Information* program provides guidance about policies, practices, controls, and safeguards to be employed by recipient agencies in accordance with the Internal Revenue Code. For example, Internal Revenue Code section 6103 protects the confidentiality of federal tax information and section 7213 prescribes criminal penalties for illegal disclosure of federal tax information.

Agency	Program name	Program description
Social Security Administration	Office of Information Security	The *Electronic Information Exchange Security Requirements and Procedures for State and Local Agencies for Exchanging Electronic Information with the Social Security Administration* program provides guidance to ensure Electronic Information Exchange partners adequately safeguard information provided to them by the Social Security Administration in accordance with the Federal Information Security Modernization Act of 2014, National Institute of Standards and Technology standards, the Privacy Act of 1974, and sections 453, 1106, and 1137 of the Social Security Act of 1935, as amended (44 U.S.C. §§ 3551–3558, 5 U.S.C. § 552a; 42 U.S.C. §§ 653, 1306, 1320b-7).

Source: GAO analysis of agency information. | GAO-21-455SP

[a]According to the Centers for Medicare & Medicaid Services, administering entity means health insurance exchanges or marketplaces, whether federal or state, state Medicaid agencies, Children's Health Insurance Program agencies, or state agencies administering the Basic Health Program.

Table 21: Area 17 Federal IT Contract Duplication: Related Budgetary Information

Agency	Total IT category obligations[a] (fiscal year 2019, dollars)
Department of Agriculture	1,200,000,000
Department of Defense	34,800,000,000
Department of Health and Human Services	5,500,000,000
Department of Homeland Security	4,763,000,000
Department of Justice	1,700,000,000
Department of State	1,956,000,000
Department of Veterans Affairs	4,400,000,000

Source: GAO analysis of agency reported data. | GAO-21-455SP

[a]Category obligations refers to the total amount of IT spending that is considered applicable to category management principles and practices. To reduce IT contract duplication, agencies are to increase the amount of this type of spending that is aligned with the Office of Management and Budget's criteria for agency-wide, multiagency or government-wide, and "Best in Class" contracts.

Table 22: Area 18 FDA Laboratory Safety: Related Program Information

Agency	Entity name	Description of laboratory safety responsibilities
Food and Drug Administration (FDA)	Office of Laboratory Safety	Central point of accountability for laboratory science and safety across FDA. Responsible for coordinating and leading implementation of policies and procedures, centralized training, and oversight for all laboratory operations related to laboratory science, safety, and security.
	FDA's centers	Each of FDA's seven centers with laboratories—including the Office of Regulatory Affairs, which is the lead office for all FDA field activities—have their own laboratory safety programs, including center safety staff, who are responsible for ensuring the implementation of laboratory safety practices within their centers. The center directors are responsible for ensuring and enforcing compliance with safety policies.

Source: GAO analysis of FDA information. | GAO-21-455SP

Table 23: Area 19 Federal Efforts to Advance Recycling: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 outlays (dollars)
Environmental Protection Agency (EPA)	Waste Management Program	Safeguards the American people while facilitating commerce by supporting an effective waste management infrastructure	58,728,300
	Waste Minimization and Recycling Program	Provides national leadership and direction on approaches to reduce environmental impacts, increase safe and effective reuse/recycling of materials, and reduce food waste	8,840,200

Source: GAO analysis of EPA Fiscal Year 2021, Justification of Appropriation Estimates for the Committee on Appropriations, February 2020. | GAO-21-455SP

Note: Work in this program directly supports Goal 1, A Cleaner, Healthier Environment. Objective 1.3, Revitalize Land and Prevent Contamination in the Fiscal Year 2018 – 2022 EPA Strategic Plan. The programs are managed by EPA's Office of Land and Emergency Management through its Sustainable Materials Management program.

Table 24: Area 20 Intellectual Property Training: Related Program Information

Agency	Program name	Program description
Small Business Administration (SBA)	Intellectual property training and assistance for small businesses	SBA is responsible for counseling, assisting, and protecting the interests of small businesses. Its local partners, such as the Small Business Development Centers, assist and train small businesses on intellectual property issues and general business considerations such as financing and marketing.
U.S. Patent and Trademark Office (USPTO)	Intellectual property training and assistance for small businesses	USPTO grants and records patents, publishes and distributes patent information, and maintains searchable files of U.S. and foreign patents. USPTO also registers trademarks. USPTO helps small businesses with intellectual property through programs that provide information and help with the application process.

Source: GAO-20-556. | GAO-21-455SP

Table 25: Area 21 Privatized Housing Payments: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations (dollars)
Department of Defense (DOD)	DOD Basic Allowance for Housing	Basic Allowance for Housing provides eligible servicemembers a monthly allowance for housing. Servicemembers' housing allowances are calculated by their location, pay grade, and dependency status.	21,000,000,000

Source: GAO analysis of DOD data and information. | GAO-21-455SP

Note: Basic allowance for housing is funded by the Military Personnel appropriations. Funds paid to privatized housing projects to offset the reductions made to basic allowance for housing comes from the Operation and Maintenance appropriations.

Table 26: Area 22 DOE Improper Payments: Related Program Information

Agency	Program name	Program description
Department of Energy (DOE)	Improper payments reporting	DOE's Office of the Chief Financial Officer (OCFO) collects and reports information annually on its improper payments. DOE's 48 payment reporting sites—comprised of entities such as headquarters offices and field sites—perform various activities to identify improper payments. These activities include prepayment review and approval of invoices, postpayment reviews, contractor internal audits, and results from travel audits, among others. The reporting sites provide improper payment information on their respective sites to OCFO. OCFO then reviews and consolidates the information and reports it as part of DOE's annual Agency Financial Report. DOE reports its data on improper payments 1 year in arrears, meaning, for example, that DOE's fiscal year 2020 Agency Financial Report included information on its improper payments identified in fiscal year 2019.

Source: GAO analysis of DOE information. | GAO-21-455SP

Table 27: Area 23 Cost Savings Programs at NNSA Sites: Related Program and Budgetary Information

Site (City, State)	Description	Fiscal year 2020 obligations (dollars)
Kansas City National Security Campus (Kansas City, MO)	Produces nonnuclear components for nuclear weapons.	1,013,074,000
Lawrence Livermore National Laboratory (Livermore, CA)	Conducts research in national defense, nuclear weapons stockpile stewardship, weapons of mass destruction, and nuclear nonproliferation.	1,887,839,000
Los Alamos National Laboratory (Los Alamos, NM)	Conducts research in national defense, nuclear weapons stockpile stewardship, weapons of mass destruction, and nuclear nonproliferation. Produces certain fuel and detonators.	2,578,527,000
Nevada National Security Site (Mercury, NV)	Conducts high-hazard operations, testing, and training in support of the National Nuclear Security Administration (NNSA), the Department of Defense, and other agencies.	510,730,000
Pantex Plant (Amarillo, TX)	Produces nuclear and nonnuclear components for weapons and evaluates, repairs, and dismantles nuclear weapons.	885,463,000
Sandia National Laboratories (Albuquerque, NM, and other secondary locations)	Conducts research in national defense, weapons of mass destruction, transportation, energy, telecommunications, financial networks, and environment stewardship. Engineers and produces nonnuclear weapon components. Conducts explosives and explosives components testing. Produces weapons components, such as some microelectronics.	2,518,989,000
Y-12 National Security Complex (Oak Ridge, TN)	Manufactures, evaluates, and tests uranium and special materials components for nuclear weapons. Supplies enriched uranium for use in naval reactors.	1,886,572,000

Source: GAO analysis of Department of Energy budget documentation. | GAO-21-455SP

Note: Some operations at the Savannah River Site in South Carolina are performed for NNSA but the contract for the Savannah River Site is managed by the Department of Energy Office of Environmental Management. So, GAO did not include its budget information in this table.

Table 28: Area 24 IRS Taxpayer Service: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal Year 2019 obligations (dollars)
Department of the Treasury, Internal Revenue Service (IRS)	Taxpayer Service and Tax Return Processing	IRS uses multiple channels to provide customer service to taxpayers, including in languages other than English. Telephone, correspondence, online, and in-person services help taxpayers understand tax law and improve voluntary compliance with the tax code. During the tax filing season, generally from January to mid-April, IRS processes more than 150 million paper and electronically-filed individual and business tax returns and processes billions in tax refunds. When IRS processes returns, it checks for errors and corrects those that it can. If needed, IRS corresponds by mail with the taxpayer to request additional information, such as a missing form or other documentation. This process can affect how long it takes IRS to issue refunds.	2,616,000,000

Source: GAO analysis of IRS information and the Budget of the United States Government, Fiscal Year 2021. | GAO-21-455SP

Table 29: Area 25 Schools and Libraries Program Fraud Risks: Related Program and Budgetary Information

Agency	Program name	Program description	Funding year 2019 commitments (dollars)
Federal Communications Commission	Schools and Libraries Program (E-rate)	Provides technology funding for K-12 schools and libraries across the nation to obtain affordable broadband and telecommunications services.	2,400,000,000

Source: GAO analysis of Federal Communications Commission data. | GAO-21-455SP

Note: The funding year for the E-rate program runs from July 1 to June 30 of the following calendar year.

Table 30: Area 26 Medicaid Financial Management Reviews: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 federal outlays (dollars)
Centers for Medicare & Medicaid Services	Medicaid	Medicaid is a joint, federal-state program that finances health care coverage for low-income and medically needy populations.	404,899,180,000

Source: GAO analysis of Department of Health and Human Services information. | GAO-21-455SP

Table 31: Area 27 Coast Guard Vessel Documentation User Fees: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations (dollars)
U.S. Coast Guard	National Vessel Documentation Center	The Center is responsible for reviewing and processing applications for federal vessel documentation to ensure compliance with vessel documentation requirements.	6,527,000

Source: GAO analysis of National Vessel Documentation Center data. | GAO-21-455SP

Table 32: Area 28 Bureau of Prisons Staffing: Related Program and Budgetary Information

Agency	Description of overtime expenses	Fiscal year 2019 overtime outlays (dollars)
Bureau of Prisons	The Bureau of Prisons is responsible for the care and custody of federal offenders. Its Salaries and Expenses budget funds personnel and program costs for this purpose, including those related to staffing and overtime.	255,000,000

Source: GAO analysis of Bureau of Prisons data. | GAO-21-455SP

Table 33: Area 29 Federal Agencies' Telecommunications Transition Planning Practices: Related Program Information

Agency	Program name	Program description
General Services Administration (GSA)	Enterprise Infrastructure Solutions (EIS)	GSA is responsible for contracts that provide telecommunications services for federal agencies. In preparation for the expiration of current telecommunications programs, GSA has developed a successor program, known as EIS. GSA intends for EIS to address federal agencies' global telecommunications and IT infrastructure requirements.

Source: GAO analysis of GSA information. | GAO-21-455SP