Final Audit Report

Subject:

AUDIT OF
THE U.S. OFFICE OF PERSONNEL MANAGEMENT’S
FISCAL YEAR 2011 IMPROPER PAYMENTS
REPORTING FOR COMPLIANCE WITH THE
IMPROPER PAYMENTS ELIMINATION AND
RECOVERY ACT OF 2010

Report No. 4A-RI-00-12-009

Date: March 14, 2012

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AUDIT REPORT

AUDIT OF THE U.S. OFFICE OF PERSONNEL MANAGEMENT'S FISCAL YEAR 2011 IMPROPER PAYMENTS REPORTING FOR COMPLIANCE WITH THE IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010

Report No. 4A-RI-00-12-009 Date: March 14, 2012

Michael R. Esser
Assistant Inspector General for Audits
EXECUTIVE SUMMARY

AUDIT OF THE U.S. OFFICE OF PERSONNEL MANAGEMENT’S FISCAL YEAR 2011 IMPROPER PAYMENTS REPORTING FOR COMPLIANCE WITH THE IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010

Report No. 4A-RI-00-12-009 Date: March 14, 2012

The Office of the Inspector General has completed a performance audit of the Office of Personnel Management’s (OPM) Fiscal Year (FY) 2011 Improper Payments Reporting for Compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA). Our primary objective was to determine if OPM’s improper payment reporting in the Agency Financial Report (AFR) was compliant with the requirements of IPERA. In order to make this determination, our audit included the following specific objectives:

1. Determine if OPM conducted specific risk assessments of all programs and activities to identify those that are susceptible to significant improper payments;
2. Determine if OPM reported improper payment estimates of risk susceptible programs in the AFR and verified the accuracy and completeness of the reported amounts;
3. Determine if OPM included a discussion of improper payment estimates and methodologies in the AFR;
4. Determine if the AFR discussed corrective action plans for reducing improper payments where estimates exceed $10 million;
5. Determine if OPM documented improper payment reduction targets and time frames for reaching them;
6. Determine if OPM reported on its efforts to recapture improper payments; and,
7. Evaluate OPM’s controls over improper payments reporting in the AFR.

Our audit was conducted from December 1, 2011 through January 26, 2012 at OPM headquarters in Washington, D.C. We determined that OPM is not in compliance with two of the seven IPERA reporting requirements and lacks adequate controls to ensure compliance with these requirements. Our audit identified four areas requiring improvement.
A. IPERA Reporting Requirements

1. **Non-Compliance**  
   OPM is not compliant with the IPERA reporting requirements because it did not include a discussion in its AFR on accountability for reducing and recovering improper payments and did not discuss its efforts under its recapture audit program.

B. Controls over OPM’s Improper Payments Reporting

1. **Lack of an Updated Agency Plan for Improper Payments Reporting**  
   OPM does not have an updated plan for preventing, reducing, recapturing, and reporting on improper payments under IPERA requirements.

2. **Poor Controls over the Improper Payments Reporting Process**  
   OPM does not have policies and procedures at the program level for the collection, documentation, and review of reportable data for improper payments reporting.

3. **Inadequate Reporting on Root Causes of Improper Payments and Corrective Actions**  
   OPM did not address specific corrective actions to correct specific root causes of improper payments in the AFR.
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I. INTRODUCTION AND BACKGROUND

Introduction

This final report details the findings, conclusions, and recommendations resulting from our performance audit of the U.S. Office of Personnel Management’s (OPM) Fiscal Year (FY) 2011 Improper Payments Reporting for compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA). The audit was performed by OPM’s Office of the Inspector General (OIG) as authorized by the Inspector General act of 1978, as amended.

Background

On July 22, 2010 the President signed into law IPERA, which amends the Improper Payments Information Act of 2002, to prevent the loss of billions of taxpayer dollars. Implementing guidance for IPERA was issued by the Office of Management and Budget (OMB) via Memorandum M-11-16 on April 14, 2011. Under the guidance, a program is deemed susceptible to significant improper payments if the total amount of overpayments plus underpayments in the program exceeds both 2.5 percent of program outlays and $10,000,000 of all program or activity payments made during the fiscal year reported, or $100,000,000 regardless of improper payment percentage of total program outlays.

Each agency inspector general is required to review improper payments reporting in the Agency Financial Report (AFR) to determine compliance with IPERA beginning with FY 2011 annual reporting. The inspector general should submit a report of its findings within 120 days of the agency publication of the AFR.

Under IPERA, agencies must do the following with respect to improper payments reporting:

- publish an AFR for the most recent fiscal year and post it on the agency website;
- conduct a program-specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C.;
- publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment;
- publish programmatic corrective action plans in the AFR;
- publish and meet annual reduction targets for each program assessed to be at risk and measured for improper payments;
- report a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the AFR; and,
- report information on its efforts to recapture improper payments.

If an agency does not meet one or more of these requirements, it is not compliant with IPERA.
Two of OPM’s earned benefit programs, the Civil Service Retirement and Disability Fund and the Federal Employees Health Benefits Program, are by definition susceptible to significant improper payments. OPM has also designated payments to contractors under the Background Investigations Program administered by the Federal Investigative Services and benefits paid under its Federal Employees’ Group Life Insurance Program as susceptible to improper payments. OPM’s reported improper payments for FY 2011 are summarized in the following table.

<table>
<thead>
<tr>
<th>Total Outlays ($ millions)</th>
<th>Gross Improper Payments ($ millions)</th>
<th>Overpayments ($ millions)</th>
<th>Underpayments ($ millions)</th>
<th>2011 Improper Payment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement</td>
<td>69,792.4</td>
<td>235.9</td>
<td>183.6</td>
<td>0.34%</td>
</tr>
<tr>
<td>Health Benefits</td>
<td>40,493.0</td>
<td>151.7</td>
<td>151.7</td>
<td>0.375%</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>2,582.3</td>
<td>0.5</td>
<td>0.3</td>
<td>0.04%</td>
</tr>
<tr>
<td>Background Investigations</td>
<td>695.4</td>
<td>10.8</td>
<td>9.8</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

1 Data collected from Table 13 “Improper Payment Reduction Outlook” on page 130 of OPM’s FY 2011 AFR.
II. OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our audit was to determine if OPM’s improper payments reporting in the AFR was compliant with IPERA requirements. Specifically, we:

- Determined if OPM conducted specific risk assessments of all programs and activities to identify those that are susceptible to significant improper payments;
- Determined if OPM reported improper payment estimates of risk susceptible programs in the AFR and verified accuracy and completeness of the reported amounts;
- Determined if OPM included a discussion of improper payment estimates and methodologies in the AFR;
- Determined if the AFR discussed corrective action plans for reducing improper payments where estimates exceed $10 million;
- Determined if OPM documented improper payment reduction targets and timeframes for reaching them;
- Determined if OPM reported on its efforts to recapture improper payments; and,
- Evaluated OPM’s controls over improper payments reporting in the AFR.

The recommendations included in this final report address these objectives.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards as established by the Comptroller General of the United States. Those standards required 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.

The scope of our audit covered OPM’s FY 2011 improper payments reporting in the AFR. We performed our audit fieldwork from December 1, 2011 through January 26, 2012 at OPM headquarters located in Washington, D.C.

To accomplish the audit objectives noted above, we:

- Reviewed the improper payments section of OPM’s FY 2011 AFR to assess compliance with IPERA;
- Reviewed applicable Federal laws;
- Reviewed applicable OMB guidance;
- Verified source documentation for all numerical data on improper payments as documented in the AFR tables;
• Verified source documentation for narrative discussion on improper payments made in the AFR; and,
• Interviewed program representatives from the Chief Financial Officer, Healthcare and Insurance, and Retirement Services.

In planning our work and gaining an understanding of the internal controls over OPM’s improper payments reporting process, we considered OPM’s internal control structure to the extent necessary to develop our audit procedures. These procedures were mainly substantive in nature, although we did gain an understanding of management procedures and controls to the extent necessary to achieve our audit objectives. The purpose of our audit was not to provide an opinion on internal controls but merely to evaluate controls over improper payments reporting. We determined that OPM is not in compliance with the improper payments reporting requirements as specified by IPERA and does not have effective controls in place over its improper payments reporting as detailed in the Audit Findings and Recommendations section of this report.

We did not sample improper payments for testing and did not evaluate the effectiveness of the general and application controls over computer processed data.
III. AUDIT FINDINGS AND RECOMMENDATIONS

A) IPERA Reporting Requirements

1. Non-Compliance

IPERA requires agencies to publish their efforts to reduce improper payments in their AFR. Agencies must meet all reporting requirements for compliance with IPERA. Our audit disclosed that OPM did not meet all of the requirements. The following highlights the areas of non-compliance.

Accountability for Reducing and Recovering Improper Payments

OPM did not include discussions on plans to hold managers accountable for reducing and recovering improper payments for its programs in its AFR.

OMB Memorandum M-11-16 Part I, A(7)-Step 4(b)(vi) states that agencies must have a description of steps (including timeline) it has taken and plans to take to ensure that agency managers, accountable officers, programs, and program officials are held accountable for reducing and recovering improper payments.

Based on the results of our audit procedures, we concluded that OPM lacks an understanding of the complete reporting requirements of IPERA, and thus did not report on accountability for reducing and recovering improper payments in the AFR.

Recapture Audit Program

Table 12 of the AFR documents the results of OPM’s recapture audit program activities; however, the AFR does not include a discussion on its recapture audit program, including actions and methods used by the agency to recoup overpayments.

OMB issued guidance to agencies in Memorandum M-11-04 on efforts to recapture payment errors and strategies for strengthening current payment recapture audit activities under IPERA. OPM produced a response to OMB on February 8, 2011, summarizing its current payment recapture activities by program. In the response, OPM said it believes that the current benefit payment recapture processes are efficient and effective, make strategic use of highly skilled personnel, and remain the most cost effective means for erroneous benefit payment recapture.

OMB Memorandum M-11-16 Part I, B(18) requires agencies to provide a description in the AFR of the steps taken to carry out a payment recapture audit program, including a discussion of the methods used by the agency to identify and recapture overpayments.

OPM has a recapture audit program in place, however, it did not discuss its efforts in the AFR.
Recommendation 1

We recommend that OPM develop internal controls to ensure that its reporting on improper payments in the AFR meets all IPERA requirements, including a discussion on its recapture audit efforts and holding program managers accountable for reducing and recovering improper payments.

OPM’s Response:

“We concur with Recommendation 1 as it relates to including a discussion of its payment recapture program in the Agency Financial Report (AFR). OPM does not currently have an external payment recapture audit program under the definition of payment recapture set forth by the Office of Management and Budget (OMB). Instead, OPM has an extensive internal recapture program to recapture improper payments, which was detailed in our February 2011 payment recapture plan sent to OMB and OIG at that time. …

The second part of the recommendation concerning holding program managers accountable for reducing and recovering improper payments is more difficult to address, as written. OPM included a section in the FY 2011 AFR on accountability, but, as reported by OIG, did not detail the specific actions it is taking to make managers and program officials accountable for reducing and recovering improper payments. OPM will provide an improved description of its accountability efforts in the FY 2012 AFR. Improper payment rates are already below the thresholds set in IPERA and OMB guidance and OPM will continue to aggressively pursue all cost-effective means to reduce improper payments further within each reportable program.”

OIG Comment:

OMB’s IPERA guidance states that agencies must publish programmatic corrective action plans in the AFR. OMB guidance identifies accountability as one of the elements of the corrective action plans that agencies must report. We acknowledge that OPM’s AFR did include a topic of discussion on accountability; however, OMB guidance specifically states that agencies must ensure that their managers are held accountable for reducing improper payments. The section in the AFR on accountability did not include this discussion as required under the reporting requirements. Therefore, OPM is not in compliance with this reporting requirement.

B) Controls over OPM’s Improper Payments Reporting

1. Lack of an Updated Agency Plan for Improper Payments Reporting

OPM does not have a current agency plan for preventing, reducing, recapturing, and reporting on improper payments per IPERA requirements. OPM’s most current plan on improper payments is dated March 23, 2006, with an approved action plan for eliminating improper payments dated March 29, 2006.
OMB Memorandum M-11-16 Part I, A(19) states that agencies “have several plans related to their improper payment efforts, which should describe their current efforts to prevent, reduce, and recapture improper payments.” For example, agencies have measurement and corrective action plans that were developed under the Improper Payments Information Act of 2002 and which will be updated per IPERA. Agencies also have their payment recapture plans that were completed per OMB Memorandum M-11-04.

Not having a current agency plan for improper payments reporting may have led to OPM’s non-compliance with IPERA. See the first finding of this report.

**Recommendation 2**

We recommend that OPM create an updated comprehensive improper payments plan that meets the requirements of IPERA and that identifies and coordinates their efforts to measure, reduce, prevent, and recapture improper payments.

**OPM’s Response:**

“We concur with the recommendation. We will complete a comprehensive improper payments plan and transmit it to OMB in FY 2012.”

2. **Poor Controls over the Improper Payments Reporting Process**

OPM does not have policies and procedures at the program office level, including the Office of the Chief Financial Officer (OCFO), for the collection, documentation, and review of reportable data for improper payments reporting. We found that there are no documented policies and procedures detailing the program personnel involved, the sources of the improper payments data, and detailed work instructions for compiling, reporting, and reviewing improper payments data. Each program group collects and reports numerical and narrative data on an informal and independent basis with no guidance or review from the OCFO, who is responsible for the publication of the final AFR.

We observed numerous instances of inaccurate or unsupported improper payments data reported in the AFR. Specifically, we found that:

- OPM did not identify the portion of actual improper payments in the AFR. The improper payments reported in Table 13 of the AFR include both actual and estimated amounts. The narrative on improper payments only discusses estimates.
- For the Retirement Program, OPM reported that data-matching activities identified more than $52 million in overpayments in FY 2011. The actual amount of identified overpayments was $76,754,340.
• For the Retirement Program, OPM reported that data-matching activities prevented an additional $14 million in overpayments. The actual amount of prevented overpayments was $16,175,996.

• OPM reported in Table 13 of the AFR that the improper payment rate for the Life Insurance Program was .04 percent. We recalculated the rate and determined the improper payment rate was .01 percent, using the figures OPM reported in the table. However, we also determined that OPM inaccurately reported $500,000 in improper payments for the Life Insurance Program in Table 13 of the AFR. The total improper payments for FY 2011 were $1.9 million, raising the improper payment rate to .07 percent.

• OPM reported in Table 13 of the AFR that the FY 2011 total underpayments for the Health Benefits Program’s Experience Rated Carriers were $0. The actual amount of underpayments was $2.2 million. The reported overpayments are overstated by $2.2 million. The correct overpayment should be $149.5 million.

The Government Accountability Office Standards for Internal Control in the Federal Government, November 1999 states that, “Control activities are the policies, procedures, techniques, and mechanisms that enforce management’s directives. … Control activities are an integral part of an entity’s planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results.”

Without proper controls for the collection, documentation, and review of reportable data on improper payments, OPM’s risk of reporting inaccurate and unsupported data increases.

**Recommendation 3**

We recommend that OPM improve internal controls over its improper payments reporting process to ensure the integrity of improper payments data.

**OPM’s Response:**

“We concur with this recommendation.”

3. Inadequate Reporting on Root Causes of Improper Payments and Corrective Actions

OPM did not address specific corrective actions to correct the root causes of improper payments in the AFR. We found that the corrective actions identified have been in place for many years and are still being identified as current initiatives to reduce improper payments. In addition, many of the corrective actions identified do not help reduce improper payments but help increase detection of improper payments. Specifically, we found that:
• OPM’s causes of improper payments identified in the AFR lack details to describe the root causes of improper payments for the Health Benefits Program, Life Insurance Program, and its Background Investigations Program.
• OPM did not document the results of specific actions taken to address the causes of improper payments.
• OPM did not address the portion of improper payments that was attributable to insufficient or lack of documentation.

OMB Memorandum M-11-16 Part I, A(7) Step 4(b)(ii) states that agencies shall include in the AFR “a discussion of the causes of the improper payments identified, actions planned or taken to correct those causes, the planned or actual completion date of those actions, and the results of the actions taken to address those causes. Part of this discussion shall include the portion of improper payments attributable to insufficient or lack of documentation, if applicable.”

OMB Memorandum M-11-16 Part I, A(14) states that “Agencies should … implement corrective actions to prevent and reduce improper payments associated with the root causes of improper payments. … Agencies should annually review their existing corrective actions to determine if any existing action can be intensified or expanded, resulting in a high-impact, high return-on-investment in terms of reduced or prevented improper payments.”

**Recommendation 4**

We recommend that OPM develop internal controls to ensure its discussions on root causes and corrective actions identify specific root causes of its improper payments, along with specific corrective actions to address the root causes and meet the requirements of IPERA. The discussion should show a direct correlation between the root causes, the corrective actions, and the reduction in improper payments.

**OPM’s Response:**

“We concur with this recommendation and will take steps to more closely link the planned corrective actions to the specific root causes identified in the AFR. We will also attempt to link specific causes and planned corrective actions to actual or planned reductions. This will be challenging because there is not always a one-for-one link between the causes and planned actions and because they represent our best judgments of actions needed to reduce improper payments. In other words, we do not always have scientifically based cause and effect data on all of our improper payments to guarantee that a specific corrective action will result in a specific dollar reduction in improper payments. We will attempt to estimate actual and planned reductions when feasible.”
IV. MAJOR CONTRIBUTORS TO THIS REPORT

Internal Audits Group

[Redacted]

[Redacted]
MEMORANDUM FOR:  MICHAEL ESHER
ASSISTANT INSPECTOR GENERAL FOR AUDITS

WILLIAM W. SCOTT, Jr.
CHIEF, INTERNAL AUDITS GROUP

FROM:
DENNIS COLEMAN
ACTING CHIEF FINANCIAL OFFICER
KENNETH ZAWODNY
ASSOCIATE DIRECTOR
RETIEMENT SERVICES

JOHN O'BRIEN
ASSOCIATE DIRECTOR
HEALTHCARE AND INSURANCE
MERTON MILLER
ASSOCIATE DIRECTOR
FEDERAL INVESTIGATIVE SERVICES

SUBJECT:  OIG DRAFT AUDIT REPORT
Audit of the U.S. Office of Personnel Management’s FY 2011 Improper Payments Reporting for Compliance with the Improper Payments Elimination and Recovery Act (IPERA)
Audit Report Number – 4A-RI-00-12-009, dated February 13, 2012

Thank you for the opportunity to respond to your review of OPM’s reporting on improper payments under IPERA and the guidance issued by the Office of Management and Budget for compliance with IPERA. Reducing improper payments is an important priority for the Administration and OPM is firmly committed to this priority.

OPM has steadily reduced its improper payments over the past several years and is committed to further reductions when cost-effective. We are strongly supportive of the increased focus contained in the 2010 IPERA law on recovering a greater percentage of identified improper payments. We believe our performance on recovering improper payments is good, but will continue to strive to improve our performance. As the OIG knows from its work on these programs, there are often legal and administrative barriers that prevent OPM from recovering identified improper payments. We will continue to work closely with your office to identify additional opportunities to reduce improper payments and to overcome barriers to recovering a greater percentage of those improper payments identified.
We also recognize that even the best run programs can benefit from external evaluations. Your audit is an important facet to improving our program and reporting efforts. We greatly appreciate your work over the past few months under the tight time constraints mandated for you by IPERA. We concur with 4 of the 5 recommendations in the draft report as discussed below. We are also providing technical comments on some of the factual information set forth in your draft report and ask that those changes be incorporated in your final report.

As noted in your draft report, you assessed OPM compliance under seven specific criteria set forth in IPERA and subsequent OMB guidance. You also reported on internal controls over improper payments. The draft report determines we are non-compliant based on not meeting one of those criteria. IPERA requires the OIG to report agencies as non-compliant if they do not meet, in their entirety, all seven criteria. This standard is a high bar set for agencies in the first year of compliance with the new law and guidance. We request your final report more explicitly state that OPM met 6 of the 7 criteria. This report is likely to have a wide distribution. Including that information will provide a more complete assessment of our actual compliance with these requirements.

Responses to the individual recommendations and technical comments follow:

**Recommendation 1**

We recommend that OPM develop internal controls to ensure that its reporting on improper payments in the AFR meets all the requirements of IPERA, including a discussion on its payment recapture audit efforts and holding program managers accountable for reducing and recovering improper payments.

**Response to Recommendation 1**

We concur with Recommendation 1 as it relates to including a discussion of its payment recapture program in the Agency Financial Report (AFR). OPM does not currently have an external payment recapture audit program under the definition of payment recapture set forth by the Office of Management and Budget (OMB). Instead, OPM has an extensive internal recapture program to recapture improper payments, which was detailed in our February 2011 payment recapture plan sent to OMB and OIG at that time. Specifically, OPM’s internal recapture program recovers approximately 90 percent of the cumulative identified improper payments as a result of extensive internal efforts over the past several years. Our recovery rate exceeds the 85-percent goal of recoveries set forth by IPERA and OMB. OPM will provide a better explanation of our payment recapture efforts in the FY 2012 AFR so that we can meet the specific compliance criteria.

The second part of the recommendation concerning holding program managers accountable for reducing and recovering improper payments is more difficult to address, as written. OPM included a section in the FY 2011 AFR on accountability, but, as reported by OIG, did not detail the specific actions it is taking to make managers and program officials accountable for reducing and recovering improper payments. OPM
will provide an improved description of its accountability efforts in the FY 2012 AFR. Improper payment rates are already below the thresholds set in IPERA and OMB guidance and OPM will continue to aggressively pursue all cost-effective means to reduce improper payments further within each reportable program.

Finally, we note that while accountability for managers is a requirement of the OMB guidance it was not included as one of the seven criteria for OIG to assess compliance as spelled out by IPERA and the OMB guidance. Therefore, we believe this finding should be included in the internal controls section of the report and any recommendation should be listed separately in that section.

**Recommendation 2**

We recommend that OPM create an updated comprehensive improper payments plan that meets the requirements of IPERA and that identifies and coordinates their efforts to measure, reduce, prevent, and recapture improper payments.

**Response to Recommendation 2**

We concur with the recommendation. We will complete a comprehensive improper payments plan and transmit it to OMB in FY 2012.

**Recommendation 3 -** We recommend that OPM improve internal controls over its improper payments reporting process to ensure the integrity of improper payments data.

**Response to Recommendation 3**

We concur with this recommendation.

Deleted by OIG
Not Relevant to Final Report

Also, we note that OIG did not find any major discrepancies in the reporting tables in our FY 2011 AFR.

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Not Relevant to Final Report

Nevertheless, we agree that OPM needs improved controls over AFR reporting and will strive to improve those in FY 2012. OPM has already initiated a lessons learned process for the entire FY 2011 AFR, including the section on improper payments. Additionally, we have initiated a new improper payments working group that meets on a bi-weekly basis to discuss various improper payments issues and how to improve our internal controls. This new group will provide an excellent forum for OPM managers and staff to provide additional reviews of the FY 2012 AFR and therefore reduce or eliminate
inaccuracies. OPM can provide additional information on these improvements throughout FY 2012 to help prepare OIG for its audit of the FY 2012 improper payments reporting.

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Not Relevant to Final Report
**Recommendation 5 [4]** - We recommend that OPM develop internal controls to ensure its discussions on root causes and corrective actions identify specific root causes of its improper payments along with specific corrective actions to address the root causes and meet the requirements of IPERA. The discussion should show a direct correlation between the root causes, the corrective actions and the reductions in improper payments.

**Response to Recommendation 5 [4]**

We concur with this recommendation and will take steps to more closely link the planned corrective actions to the specific root causes identified in the AFR. We will also attempt to link specific causes and planned corrective actions to actual or planned reductions. This will be challenging because there is not always a one-for-one link between the causes and planned actions and because they represent our best judgments of actions needed to reduce improper payments. In other words, we do not always have scientifically based cause and effect data on all of our improper payments to guarantee that a specific corrective action will result in a specific dollar reduction in improper payments. We will attempt to estimate actual and planned reductions when feasible.

**Other Technical Comments**

None