



# Report in Brief

MAY 8, 2024

## Background

As mandated by the Payment Integrity Information Act of 2019 (PIIA) and in accordance with guidance issued by the Office of Management and Budget (OMB), we initiated this review to determine whether the U.S. Department of Commerce (Department) complied with PIIA, which is intended to improve efforts to identify and reduce government-wide improper payments.

Broadly defined, *improper payments* are those the federal government has made in an incorrect amount or to the wrong recipient. Improper payments can negatively impact the public's trust in the federal government and distract from the benefits of federal programs.

PIIA set forth improper payment requirements for executive agencies, including but not limited to (1) conducting program-specific risk assessments for each program or activity, (2) publishing improper payment estimates for programs susceptible to significant improper payments, and (3) reporting on corrective actions to reduce improper payments. To meet improper payment requirements, the Department followed OMB guidance and performed procedures to detect and prevent improper payments and unknown payments, including (1) risk assessments of selected programs and activities and (2) routine monitoring and minimization activities, such as post-payment reviews. During fiscal year (FY) 2023, the Department reported approximately \$22.5 million in overpayments identified for recapture and approximately \$18.9 million in overpayments recovered.

## Why We Did This Review

Our objective was to determine the Department's compliance with PIIA for FY 2023. We also assessed the Department's efforts related to preventing and reducing improper payments and unknown payments.

## OFFICE OF THE SECRETARY

### The Department Complied with Payment Integrity Information Act Requirements for Fiscal Year 2023

OIG-24-020-I

## WHAT WE CONCLUDED

To comply with PIIA, the Department must:

1. Publish payment integrity information with the agency's *Agency Financial Report (AFR)* for the most recent fiscal year and post the *AFR* and accompanying materials required by OMB on the agency's website.
2. Conduct improper payment risk assessments for each program with annual outlays greater than \$10 million at least once in the last 3 years and adequately conclude whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.
3. Publish improper payment and unknown payment estimates for programs susceptible to significant improper payments and unknown payments in the accompanying materials to the *AFR*.
4. Publish corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the *AFR*.
5. Publish an improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the *AFR*, demonstrate payment integrity improvements or reach a tolerable improper payment and unknown payment rate, and develop a plan to meet the improper payment and unknown payment reduction target(s).
6. Report an improper payment and unknown payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the *AFR*.

We concluded that the Department complied with the PIIA criteria for FY 2023 based on our review. We did not identify any actions needed to further improve prevention and reduction measures within the Department.