



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of Inspector General

May 23, 2019

MEMORANDUM

TO: Honorable Janet Dhillon
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

A handwritten signature in black ink, appearing to read "Milton Mayo, Jr.", written over the printed name.

SUBJECT: U.S. Equal Employment Opportunity Commission's Compliance with Improper Payments Requirements for Fiscal Year 2018 (OIG Report No. 2019-001-AOIG)

We conducted a review to determine the U.S. Equal Employment Opportunity Commission's (EEOC) Fiscal Year (FY) 2018 compliance with the Improper Payments Information Act of 2002 (Pub. L. 107-300), as amended by the Improper Payments Elimination and Recovery Act of 2010 (Pub. L. 111-204), the Improper Payments Elimination and Recovery Improvement Act of 2012 (Pub. L. 112-248), and the Federal Improper Payments Coordination Act of 2015 (Pub. L. 114-109). Office of Management and Budget (OMB) Memorandum M-18-20, "Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement," June 26, 2018 (OMB Memorandum M-18-20), sets forth guidance and requirements specifically for compliance with IPERA.

OMB Memorandum M-18-20 aims to ensure that federal agencies focus on prevention of improper payments and improvement of improper payment rates. An improper payment is any payment that should not have been made or that was made in an incorrect amount to an eligible recipient (either through overpayments or underpayments) under statutory, contractual, administrative, or other legally applicable requirements. Improper payments also include any payment that was made to an ineligible recipient, for an ineligible good or service, or for goods or services not received, except for such payments authorized by law.

OMB Memorandum M-18-20 implements the requirements from IPIA, IPERA, and IPERIA and requires each agency Inspector General to submit an annual report of the agency's compliance with IPERA. OMB guidance states that IPERA compliance means that the agency has:

1. Published an Agency Financial Report (AFR) or Performance and Accountability Report (PAR) for the most recent fiscal year and posted that report and any accompanying materials required by OMB on the agency website;
2. Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 note of Title 31 U.S.C. (if required);



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3. Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required)¹;
4. Published programmatic corrective action plans in the AFR or PAR (if required);
5. Published, and is meeting, annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable); and
6. Reported 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 or PAR.

Scope and Methodology

We conducted our review in accordance with guidance set forth in OMB Memorandum M-18-20. We communicated with EEOC Office of the Chief Financial Officer personnel and reviewed the EEOC FY 2018 PAR to determine whether the agency met the applicable IPERA requirements.

IPERA Compliance

As shown in the table below, we determined that EEOC satisfied each of the applicable IPERA requirements and is therefore in compliance with IPERA for FY 2018:

¹ OMB Memorandum M-18-20 defines significant improper payments as gross annual improper payments (i.e., the total amount of overpayments and underpayments) in the program exceeding (1) both 1.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported or (2) \$100,000,000 (regardless of the improper payment percentage of total program outlays).



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Table: EECO FY 2018 IPERA Compliance

Program Name	Published an Agency Financial Report (AFR) or Performance Assessment Report (PAR)	Conducted a Risk Assessment	Published an Improper Payment Estimate	Published Corrective Action Plans	Published and is Meeting Reduction Targets	Reported an Improper Payment Rate of Less than 10 Percent
Vendor Payments	✓	✓	N/A ²	N/A ²	N/A ²	N/A ²
Travel Payments	✓	✓	N/A ²	N/A ²	N/A ²	N/A ²

Source: EEOC OIG created this table based on OMB Memorandum M-18-20 guidance and data from EEOC Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by the EEOC’s Office of the Chief Financial Officer. Should you have any questions or require additional information, please contact Nina Murphy, Assistant Inspector General for Audit and Evaluation, at 202-663-4372, Nina.Murphy@eoc.gov.

² OMB Memorandum M-18-20 states that the criteria are only applicable for programs and activities identified as susceptible to significant improper payments. According to the EEOC Chief Financial Officer, EEOC’s FY 2018 risk assessment did not identify any programs or activities that were susceptible to significant improper payments.



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cc:

Reuben Daniels, Jr., (Acting) Chief Operating Officer
Mona Papillon, Deputy Chief Operating Officer
Grace Zhao, Chief Financial Officer