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

Office of Inspector General

May 4, 2021

MEMORANDUM

TO: Honorable Charlotte A. Burrows
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: U.S. Equal Employment Opportunity Commission's Compliance with the Payment Integrity Information Act for Fiscal Year 2020 (OIG Report No. 2021-003-SOIG)

We conducted a review to determine the U.S. Equal Employment Opportunity Commission's (EEOC) Fiscal Year (FY) 2020 compliance with the *Improper Payments Elimination and Recovery Act of 2010* (IPERA) (Public Law 111-204) which amended the *Improper Payments Information Act of 2002* (Pub. L. 107-300) (IPIA) and required agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by the Office of Management and Budget (OMB).[1] In addition, section 3 of IPERA required Inspectors General to review each agency's improper payment reporting and issue an annual report.

On March 2, 2020, the *Payment Integrity Information Act of 2019* (PIIA) (Public Law 116-117) repealed IPERA (and other laws) but set forth similar improper payment reporting requirements, including an annual compliance report by Inspectors General. Because final OMB guidance related to PIIA was not expected to be issued until February 2021, we initiated our FY 2020 annual compliance review using a combination of the requirements in OMB Circular A-123, Appendix C (M-18-20, June 2018), OMB Circular A-136 (August 2020), OMB Annual Data Call Instructions, OMB Payment Integrity Question and Answer Platform, and the Council of the Inspectors General on Integrity and Efficiency guidance required under PIIA.

The purpose of the payment integrity section of the AFR/PAR, outlined by PIIA, is to improve efforts to identify and reduce Government-wide improper payments, and for other purposes. An improper payment is any payment that should not have been made or that was made in an

[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).

incorrect amount. Incorrect amounts are overpayments or underpayments that are made to eligible recipients. An improper payment also includes any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments authorized by law). In addition, when an agency's review is unable to discern whether a payment was proper because of insufficient or lack of documentation, this payment must also be considered an improper payment.

The EEOC does not administer grant, benefit, or loan programs. Implementation of recapture auditing, if determined to be cost-effective, would apply to vendor payments. In the EEOC's FY 2020 Agency Financial Report (AFR), dated November 16, 2020, EEOC reported having reviewed all of its programs and determined that none are susceptible to significant improper payment. EEOC concluded and reported (in its AFR), "that the implementation of a payment recapture audit would not be cost-effective." The agency is required to publish improper payment estimates, corrective action plans, or reduction targets. Each agency inspector general is required to review improper payment reporting in their agency's Annual Performance Report (APR) or AFR and any accompanying materials to determine if the agency has complied with PIIA. Based on EEOC's AFR and sample documentation received from EEOC's management, the OIG concluded that EEOC has not identified any program that in and of itself constitutes a high-risk for improper payments. As a result, the OIG assessed all of EEOC's payments to be low-risk for improper payments.

Scope and Methodology

We conducted our review in accordance with guidance set forth in PIIA and accompanying materials. We reviewed statements the EEOC's Chief Financial Officer provided in addition to EEOC's FY 2020 AFR to determine whether the agency met the applicable PIIA requirements.

PIIA Compliance

The OIG concluded EEOC is compliant for FY 2020. According to OMB guidance, compliance with the PIIA means that the agency met the six requirements, as appropriate.[2] As shown in the table below, EEOC is compliant with requirements one and two. Requirements three through six are not applicable to the agency.

[2] OMB Memorandum M-18-20, Appendix C to OMB Circular No. A-123, *Requirements for Payment Integrity Improvement*.

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Table: EEOC FY 2020 PIIA Compliance

Program Name	1. Published an Agency Financial Report (AFR) or Performance Accountability Report (PAR)	2. Conducted a Risk Assessment	3. Published an Improper Payment Estimate	4. Published Corrective Action Plans	5. Published and is Meeting Reduction Targets	6. Reported an Improper Payment Rate of Less than 10 Percent
Vendor Payments	✓	✓	**N/A**[3]	**N/A**[3]	**N/A**[3]	**N/A**[3]
Travel Payments	✓	✓	**N/A**[3]	**N/A**[3]	**N/A**[3]	**N/A**[3]

Source: EEOC OIG created this table based on PIIA guidance and statements from EEOC's 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 Clarice Williams, Auditor at 202-921-3136 or Clarice.Williams@eeoc.gov.

cc: Elisa Krobot, Chief Financial Officer

Mona Papillon, Acting Chief Operating Officer

Elizabeth Fox-Solomon, Chief of Staff

U.S. Senate, (Committee on Homeland Security and Government Affairs)

U.S. House of Representatives, (Committee on Oversight and Reform)

Office of Management and Budget

U.S. Government Accountability Office

[3] 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's Chief Financial Officer, EEOC's FY 2020 risk assessment did not identify any programs or activities that were susceptible to significant improper payments.