

## FY 2020 OMB Supplemental Data Call

### DOJ

#### Law Enforcement

#### Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

#### Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Please describe the steps the agency has taken to detect and recover improper payments.*

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	"See Question 2 Free Text section for detail. The information below provides the completion date for action(s) taken when a response of Other is in the column to the right. Other (FY2020 Q4)"	Other
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)		FY2020 Q3
7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by:	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
Federal Agency			
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		FY2020 Q3
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)		FY2020 Q3
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

**Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal control to prevent improper payments, reviewing disbursements to identify (detect) improper payments, taking various steps to recover improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The scope of the program includes all payment types required by the Payment Integrity Information Act (PIIA) and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel are excluded because of the Department's responsibility to protect such information.

In FY 2020, the steps taken by Department components to detect improper payments included post-payment reviews, post-award audits, grant expenditure monitoring, analytics of payment data, testing of payments, and other internal review activities, such as working with the USDA National Finance Center to identify employee pay adjustments that were not processed correctly.

Steps taken by Department components to recover improper payments included issuing demand letters to debtors notifying them of debts and collection actions the Department can pursue, initiating offset against other payments due debtors or against future grantee drawdowns, initiating payroll withholdings to collect employee debts resulting from payroll processing errors, and referring debts to the Treasury for collection.

### **Question 3: Recovery Audits (PIIA Section: 3352)**

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

The response to this question is addressed in the Question 2 Free Text section.

### **Question 4: Excluded Programs (PIIA Section: 3352(e) (7))**

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

The scope of the Department's payment recapture audit program included all five of the Department's mission-aligned programs; none of the five was excluded. Further, the scope included all payment types required by IPIA, as amended, and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel were excluded because of the Department's responsibility to protect such information.

### **Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Please describe your agency's progress:*

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

<b>Implementation of OMB Circular A-123</b>	<b>Implementation of GAO Green Book</b>	<b>Identifying Risk and Vulnerabilities</b>	<b>Establishing Strategies, Procedures and Other steps</b>
2 – Established	2 – Established	2 – Established	2 – Established

**Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Department continued its progress in implementing financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office; and OMB Circular A-123 with respect to the leading practices for managing fraud risk. In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud.

The Department's fraud reduction program is part of its overall program of internal control. The program includes identifying fraud risks and opportunities, analyzing internal controls to prevent and detect fraud, responding to fraud risks through ongoing monitoring, assessing root causes of fraud, and developing corrective action plans, as necessary.

In FY 2020, the Department enhanced its fraud risk assessment approach to improve the identification of significant fraud risks and analysis of the effectiveness of controls to support the reduction of fraud. Specifically, the Department refreshed the tools, templates, and criteria to more effectively and accurately identify fraud risks and associated anti-fraud controls across the Department. The enhanced fraud risk assessment focused on seven key areas:

- human resources (payroll, time and attendance, and awards)
- disbursements (beneficiary payments, purchase cards, and embezzlement)
- grants (grants management, disbursements, and awards)
- acquisitions (large contracts and purchase cards)
- travel (travel cards, requests, and receipts)
- property (physical and intangible property)
- COVID-19 (fraud risks resulting from business changes as a result of COVID-19)

As in FY 2019, the Department conducted a facilitated session to focus on Department-wide fraud risks and vulnerabilities, current and planned financial and administrative control activities to mitigate fraud risks, fraud risk ratings, and management's tolerance related to each fraud risk. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and the fraud risk principle in the GAO Green Book. Based on the analyses of risks, vulnerabilities, and control activities, the Department identified no instances where immediate action was needed to address high residual risk or risks outside of management's tolerance.

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department does not have any additional programs to list; it assessed all five of its mission-aligned programs for susceptibility of significant improper payments.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

## Question 8: Tolerable Rate

*Do you believe the program has reached a tolerable rate of improper payments?*

<b>Indicate Yes or No</b>
N/A

## Question 8 Free Text: Tolerable Rate

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

## Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

## Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

## Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

### **Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Does the program use the Do Not Pay Initiative (DNP) (yes/no)? **Yes** | Has the DNP reduced/prevented improper payments (yes/no)? **No** | How frequently are corrections made? **N/A** | How frequently is incorrect information identified? **Monthly**

The Department did not request any changes to the Treasury Working System in FY 2020 for the Law Enforcement program or the Department's other four programs. Two data sources added to the Do Not Pay library in FY 2019 – American Info Source (AIS)-Obituary and AIS-Probate – account for the Department's spike in false hits since the data sources were added. Each of these are commercial data sources looking at obituaries and probate records to identify deceased individuals.

During FY 2020, the AIS-Obituary and AIS-Probate data sources identified 166 hits for the Law Enforcement program. In each instance, the Department confirmed the payments were proper. For example, many of the hits were attributed to current, living employees receiving proper payments (e.g., a travel reimbursement) and deemed false hits.

In addition to the AIS hits, during FY 2020, there were 29 other hits for the Law Enforcement program – the Death Master File (DMF) identified 28 hits, and the Department of State (DOS) Death Data Public data source identified an additional hit. In each instance, the Department confirmed the payments were proper. For example, some of the DMF hits were attributed to refunds of application fees for applicants who died before the service associated with the fee commenced. The DOS hit was an entitlement payment that was owed for an employee who died unexpectedly when stationed overseas.

### **Administrative, Technology, and Other**

### **Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))**



*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Please describe the steps the agency has taken to detect and recover improper payments.*

<b>Indicate root cause</b>	<b>Indicate mitigation strategy/corrective action(s) taken</b>	<b>Provide any additional detail (optional free text)</b>	<b>Select the actual completion date for action(s) taken</b>
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	"See Question 2 Free Text section for detail. The information below provides the completion date for action(s) taken when a response of Other is in the column to the right. Other (FY2020 Q4)"	Other
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)		FY2020 Q3
7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		FY2020 Q3
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or	3-Training (how to	Other (FY2019 Q4 -	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
Process Errors Made by: State or Local Agency	complete contracts)	FY2020 Q4)	
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)		FY2020 Q3
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

**Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal control to prevent improper payments, reviewing disbursements to identify (detect) improper payments, taking various steps to recover improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The scope of the program includes all payment types required by the Payment Integrity Information Act (PIIA) and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel are excluded because of the Department's responsibility to protect such information.

In FY 2020, the steps taken by Department components to detect improper payments included post-payment reviews, post-award audits, grant expenditure monitoring, analytics of payment data, testing of payments, and other internal review activities, such as working with the USDA National Finance Center to identify employee pay adjustments that were not processed correctly.

Steps taken by Department components to recover improper payments included issuing demand letters to debtors notifying them of debts and collection actions the Department can pursue, initiating offset against other payments due debtors or against future grantee drawdowns, initiating payroll withholdings to collect employee debts resulting from payroll processing errors, and referring debts to the Treasury for collection.

### **Question 3: Recovery Audits (PIIA Section: 3352)**

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

The response to this question is addressed in the Question 2 Free Text section.

### **Question 4: Excluded Programs (PIIA Section: 3352(e) (7))**

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

The scope of the Department's payment recapture audit program included all five of the Department's mission-aligned programs; none of the five was excluded. Further, the scope included all payment types required by IPIA, as amended, and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel were excluded because of the Department's responsibility to protect such information.

### **Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Please describe your agency's progress:*

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

<b>Implementation of OMB Circular A-123</b>	<b>Implementation of GAO Green Book</b>	<b>Identifying Risk and Vulnerabilities</b>	<b>Establishing Strategies, Procedures and Other steps</b>
2 – Established	2 – Established	2 – Established	2 – Established

**Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Department continued its progress in implementing financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office; and OMB Circular A-123 with respect to the leading practices for managing fraud risk. In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud.

The Department's fraud reduction program is part of its overall program of internal control. The program includes identifying fraud risks and opportunities, analyzing internal controls to prevent and detect fraud, responding to fraud risks through ongoing monitoring, assessing root causes of fraud, and developing corrective action plans, as necessary.

In FY 2020, the Department enhanced its fraud risk assessment approach to improve the identification of significant fraud risks and analysis of the effectiveness of controls to support the reduction of fraud. Specifically, the Department refreshed the tools, templates, and criteria to more effectively and accurately identify fraud risks and associated anti-fraud controls across the Department. The enhanced fraud risk assessment focused on seven key areas:

- human resources (payroll, time and attendance, and awards)
- disbursements (beneficiary payments, purchase cards, and embezzlement)
- grants (grants management, disbursements, and awards)
- acquisitions (large contracts and purchase cards)

- travel (travel cards, requests, and receipts)
- property (physical and intangible property)
- COVID-19 (fraud risks resulting from business changes as a result of COVID-19)

As in FY 2019, the Department conducted a facilitated session to focus on Department-wide fraud risks and vulnerabilities, current and planned financial and administrative control activities to mitigate fraud risks, fraud risk ratings, and management's tolerance related to each fraud risk. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and the fraud risk principle in the GAO Green Book. Based on the analyses of risks, vulnerabilities, and control activities, the Department identified no instances where immediate action was needed to address high residual risk or risks outside of management's tolerance.

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department does not have any additional programs to list; it assessed all five of its mission-aligned programs for susceptibility of significant improper payments.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 8: Tolerable Rate**

*Do you believe the program has reached a tolerable rate of improper payments?*

Indicate Yes or No
N/A

**Question 8 Free Text: Tolerable Rate**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR

Indicate compliant or non-compliant	Compliance criteria
Compliant	2. Conduct Program-Specific Risk Assessment

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Does the program use the Do Not Pay Initiative (DNP) (yes/no)? **Yes** | Has the DNP reduced/prevented improper payments (yes/no)? **No** | How frequently are corrections made? **N/A** | How frequently is incorrect information identified? **N/A**

The Department did not request any changes to the Treasury Working System in FY 2020 for the Administrative, Technology, and Other program or the Department's other four programs. Two data sources added to the Do Not Pay library in FY 2019 – American Info Source (AIS)-Obituary and AIS-Probate – account for the Department's spike in false hits since the data sources were added. Each of these are commercial data sources looking at obituaries and probate records to identify deceased individuals.

During FY 2020, the AIS-Obituary and AIS-Probate data sources identified 3 hits for the Administrative, Technology, and Other program. In each instance, the Department confirmed the payments were proper. There were no DMF or DOS hits for the Administrative, Technology, and Other program during FY 2020.

## **Litigation**

### **Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### **Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Please describe the steps the agency has taken to detect and recover improper payments.*

<b>Indicate root cause</b>	<b>Indicate mitigation strategy/corrective action(s) taken</b>	<b>Provide any additional detail (optional free text)</b>	<b>Select the actual completion date for action(s) taken</b>



<b>Indicate root cause</b>	<b>Indicate mitigation strategy/corrective action(s) taken</b>	<b>Provide any additional detail (optional free text)</b>	<b>Select the actual completion date for action(s) taken</b>
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	"See Question 2 Free Text section for detail. The information below provides the completion date for action(s) taken when a response of Other is in the column to the right. Other (FY2020 Q4)"	Other
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)		FY2020 Q3
7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		FY2020 Q3
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)		FY2020 Q3

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
any other organization administering Federal dollars)			
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

**Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal control to prevent improper payments, reviewing disbursements to identify (detect) improper payments, taking various steps to recover improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The scope of the program includes all payment types required by the Payment Integrity Information Act (PIIA) and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel are excluded because of the Department's responsibility to protect such information.

In FY 2020, the steps taken by Department components to detect improper payments included post-payment reviews, post-award audits, grant expenditure monitoring, analytics of payment data, testing of payments, and other internal review activities, such as working with the USDA National Finance Center to identify employee pay adjustments that were not processed correctly.

Steps taken by Department components to recover improper payments included issuing demand letters to debtors notifying them of debts and collection actions the Department can pursue,

initiating offset against other payments due debtors or against future grantee drawdowns, initiating payroll withholdings to collect employee debts resulting from payroll processing errors, and referring debts to the Treasury for collection.

### Question 3: Recovery Audits (PIIA Section: 3352)

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

The response to this question is addressed in the Question 2 Free Text section.

### Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

The scope of the Department's payment recapture audit program included all five of the Department's mission-aligned programs; none of the five was excluded. Further, the scope included all payment types required by IPIA, as amended, and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel were excluded because of the Department's responsibility to protect such information.

### Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

*Please describe your agency's progress:*

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	2 – Established	2 – Established

### Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Department continued its progress in implementing financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office; and OMB Circular A-123 with respect to the leading practices for managing fraud risk. In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud.

The Department's fraud reduction program is part of its overall program of internal control. The program includes identifying fraud risks and opportunities, analyzing internal controls to prevent and detect fraud, responding to fraud risks through ongoing monitoring, assessing root causes of fraud, and developing corrective action plans, as necessary.

In FY 2020, the Department enhanced its fraud risk assessment approach to improve the identification of significant fraud risks and analysis of the effectiveness of controls to support the reduction of fraud. Specifically, the Department refreshed the tools, templates, and criteria to more effectively and accurately identify fraud risks and associated anti-fraud controls across the Department. The enhanced fraud risk assessment focused on seven key areas:

- human resources (payroll, time and attendance, and awards)
- disbursements (beneficiary payments, purchase cards, and embezzlement)
- grants (grants management, disbursements, and awards)
- acquisitions (large contracts and purchase cards)
- travel (travel cards, requests, and receipts)
- property (physical and intangible property)
- COVID-19 (fraud risks resulting from business changes as a result of COVID-19)

As in FY 2019, the Department conducted a facilitated session to focus on Department-wide fraud risks and vulnerabilities, current and planned financial and administrative control activities

to mitigate fraud risks, fraud risk ratings, and management's tolerance related to each fraud risk. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and the fraud risk principle in the GAO Green Book. Based on the analyses of risks, vulnerabilities, and control activities, the Department identified no instances where immediate action was needed to address high residual risk or risks outside of management's tolerance.

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department does not have any additional programs to list; it assessed all five of its mission-aligned programs for susceptibility of significant improper payments.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 8: Tolerable Rate**

*Do you believe the program has reached a tolerable rate of improper payments?*

Indicate Yes or No
N/A

**Question 8 Free Text: Tolerable Rate**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Does the program use the Do Not Pay Initiative (DNP) (yes/no)? **Yes** | Has the DNP reduced/prevented improper payments (yes/no)? **No** | How frequently are corrections made? **N/A** | How frequently is incorrect information identified? **N/A**

The Department did not request any changes to the Treasury Working System in FY 2020 for the Litigation program or the Department's other four programs. Two data sources added to the Do Not Pay library in FY 2019 – American Info Source (AIS)-Obituary and AIS-Probate – account for the Department's spike in false hits since the data sources were added. Each of these are commercial data sources looking at obituaries and probate records to identify deceased individuals.

During FY 2020, the AIS-Obituary and AIS-Probate data sources identified 19 hits for the Litigation program. The Department confirmed that 17 payments were proper; 2 were improper. Both improper payments were identified through AIS-Obituary hits.

In addition to the AIS hits, during FY 2020, there were 2 DMF hits for the Litigation program. In each instance, the Department confirmed the payments were proper. There were no DOS hits for the Litigation program during FY 2020.

## Prisons and Detention

### Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Please describe the steps the agency has taken to detect and recover improper payments.*

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	"See Question 2 Free Text section for detail. The information below	Other



<b>Indicate root cause</b>	<b>Indicate mitigation strategy/corrective action(s) taken</b>	<b>Provide any additional detail (optional free text)</b>	<b>Select the actual completion date for action(s) taken</b>
		provides the completion date for action(s) taken when a response of Other is in the column to the right. Other (FY2020 Q4)"	
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)		FY2020 Q3
7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		FY2020 Q3
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)		FY2020 Q3

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

**Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal control to prevent improper payments, reviewing disbursements to identify (detect) improper payments, taking various steps to recover improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The scope of the program includes all payment types required by the Payment Integrity Information Act (PIIA) and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel are excluded because of the Department's responsibility to protect such information.

In FY 2020, the steps taken by Department components to detect improper payments included post-payment reviews, post-award audits, grant expenditure monitoring, analytics of payment data, testing of payments, and other internal review activities, such as working with the USDA National Finance Center to identify employee pay adjustments that were not processed correctly.

Steps taken by Department components to recover improper payments included issuing demand letters to debtors notifying them of debts and collection actions the Department can pursue, initiating offset against other payments due debtors or against future grantee drawdowns, initiating payroll withholdings to collect employee debts resulting from payroll processing errors, and referring debts to the Treasury for collection.

### Question 3: Recovery Audits (PIIA Section: 3352)

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

The response to this question is addressed in the Question 2 Free Text section.

### Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

The scope of the Department's payment recapture audit program included all five of the Department's mission-aligned programs; none of the five was excluded. Further, the scope included all payment types required by IPIA, as amended, and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel were excluded because of the Department's responsibility to protect such information.

### Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

*Please describe your agency's progress:*

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	2 – Established	2 – Established

### Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Department continued its progress in implementing financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and

design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office; and OMB Circular A-123 with respect to the leading practices for managing fraud risk. In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud.

The Department's fraud reduction program is part of its overall program of internal control. The program includes identifying fraud risks and opportunities, analyzing internal controls to prevent and detect fraud, responding to fraud risks through ongoing monitoring, assessing root causes of fraud, and developing corrective action plans, as necessary.

In FY 2020, the Department enhanced its fraud risk assessment approach to improve the identification of significant fraud risks and analysis of the effectiveness of controls to support the reduction of fraud. Specifically, the Department refreshed the tools, templates, and criteria to more effectively and accurately identify fraud risks and associated anti-fraud controls across the Department. The enhanced fraud risk assessment focused on seven key areas:

- human resources (payroll, time and attendance, and awards)
- disbursements (beneficiary payments, purchase cards, and embezzlement)
- grants (grants management, disbursements, and awards)
- acquisitions (large contracts and purchase cards)
- travel (travel cards, requests, and receipts)
- property (physical and intangible property)
- COVID-19 (fraud risks resulting from business changes as a result of COVID-19)

As in FY 2019, the Department conducted a facilitated session to focus on Department-wide fraud risks and vulnerabilities, current and planned financial and administrative control activities to mitigate fraud risks, fraud risk ratings, and management's tolerance related to each fraud risk. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and the fraud risk

principle in the GAO Green Book. Based on the analyses of risks, vulnerabilities, and control activities, the Department identified no instances where immediate action was needed to address high residual risk or risks outside of management's tolerance.

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department does not have any additional programs to list; it assessed all five of its mission-aligned programs for susceptibility of significant improper payments.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 8: Tolerable Rate**

*Do you believe the program has reached a tolerable rate of improper payments?*

Indicate Yes or No
N/A

**Question 8 Free Text: Tolerable Rate**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Does the program use the Do Not Pay Initiative (DNP) (yes/no)? **Yes** | Has the DNP reduced/prevented improper payments (yes/no)? **No** | How frequently are corrections made? **N/A** | How frequently is incorrect information identified? **N/A**

The Department did not request any changes to the Treasury Working System in FY 2020 for the Prisons and Detention program or the Department's other four programs. There were no AIS-Obituary, AIS-Probate, or DOS hits for the Prisons and Detention program during FY 2020. However, there was one DMF hit. For that hit, the Department found that a settlement agreement existed which allowed the Department to deem the payment to be proper.

## State, Local, Tribal, and Other Assistance

### Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Please describe the steps the agency has taken to detect and recover improper payments.*

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
5. Failure to Verify: Financial Data	3-Training (how to complete contracts)	"See Question 2 Free Text section for detail. The information below provides the completion date for action(s) taken when a response of Other is in the column to the right. Other (FY2020 Q4)"	Other
5. Failure to Verify: Financial Data	4-Change Process (instructions, checklist, policy)		FY2020 Q3
7. Failure to Verify: Prisoner Data	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
9. Administrative or Process Errors Made by: Federal Agency	4-Change Process (instructions, checklist, policy)		FY2020 Q3



Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other
10. Administrative or Process Errors Made by: State or Local Agency	Other (free text)	Other (FY2019 Q4 - FY2020 Q4)	Other
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	2-Behavioral/Psych Influence (nudge for honesty when data hard to pre-check)		FY2020 Q3
11. Administrative or Process Errors Made by: Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)	3-Training (how to complete contracts)	Other (FY2019 Q4 - FY2020 Q4)	Other

## Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department's payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal control to prevent improper payments, reviewing disbursements to identify (detect) improper payments, taking various steps to recover improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and

disposition of recovered funds. The scope of the program includes all payment types required by the Payment Integrity Information Act (PIIA) and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel are excluded because of the Department's responsibility to protect such information.

In FY 2020, the steps taken by Department components to detect improper payments included post-payment reviews, post-award audits, grant expenditure monitoring, analytics of payment data, testing of payments, and other internal review activities, such as working with the USDA National Finance Center to identify employee pay adjustments that were not processed correctly.

Steps taken by Department components to recover improper payments included issuing demand letters to debtors notifying them of debts and collection actions the Department can pursue, initiating offset against other payments due debtors or against future grantee drawdowns, initiating payroll withholdings to collect employee debts resulting from payroll processing errors, and referring debts to the Treasury for collection.

### **Question 3: Recovery Audits (PIIA Section: 3352)**

*Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.*

The response to this question is addressed in the Question 2 Free Text section.

### **Question 4: Excluded Programs (PIIA Section: 3352(e) (7))**

*Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.*

The scope of the Department's payment recapture audit program included all five of the Department's mission-aligned programs; none of the five was excluded. Further, the scope included all payment types required by IPIA, as amended, and OMB implementing guidance. Payments that could compromise law enforcement operations or endanger the safety of personnel were excluded because of the Department's responsibility to protect such information.

### **Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Please describe your agency's progress:*

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in*

*the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*

- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

<b>Implementation of OMB Circular A-123</b>	<b>Implementation of GAO Green Book</b>	<b>Identifying Risk and Vulnerabilities</b>	<b>Establishing Strategies, Procedures and Other steps</b>
2 – Established	2 – Established	2 – Established	2 – Established

**Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

In FY 2020, the Department continued its progress in implementing financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office; and OMB Circular A-123 with respect to the leading practices for managing fraud risk. In addition, the Department continued its progress in identifying risks and vulnerabilities to fraud and establishing strategies, procedures, and other steps to curb fraud.

The Department's fraud reduction program is part of its overall program of internal control. The program includes identifying fraud risks and opportunities, analyzing internal controls to prevent and detect fraud, responding to fraud risks through ongoing monitoring, assessing root causes of fraud, and developing corrective action plans, as necessary.

In FY 2020, the Department enhanced its fraud risk assessment approach to improve the identification of significant fraud risks and analysis of the effectiveness of controls to support the reduction of fraud. Specifically, the Department refreshed the tools, templates, and criteria to more effectively and accurately identify fraud risks and associated anti-fraud controls across the Department. The enhanced fraud risk assessment focused on seven key areas:

- human resources (payroll, time and attendance, and awards)

- disbursements (beneficiary payments, purchase cards, and embezzlement)
- grants (grants management, disbursements, and awards)
- acquisitions (large contracts and purchase cards)
- travel (travel cards, requests, and receipts)
- property (physical and intangible property)
- COVID-19 (fraud risks resulting from business changes as a result of COVID-19)

As in FY 2019, the Department conducted a facilitated session to focus on Department-wide fraud risks and vulnerabilities, current and planned financial and administrative control activities to mitigate fraud risks, fraud risk ratings, and management's tolerance related to each fraud risk. The session was attended by the Department's Senior Assessment Team or their representatives, which was valuable because of the attendees' detailed insight into their respective component's OMB Circular A-123 assessment as it relates to fraud and the fraud risk principle in the GAO Green Book. Based on the analyses of risks, vulnerabilities, and control activities, the Department identified no instances where immediate action was needed to address high residual risk or risks outside of management's tolerance.

**Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

The Department does not have any additional programs to list; it assessed all five of its mission-aligned programs for susceptibility of significant improper payments.

**Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

**Question 8: Tolerable Rate**

*Do you believe the program has reached a tolerable rate of improper payments?*

Indicate Yes or No
N/A

### Question 8 Free Text: Tolerable Rate

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. None of the Department's five mission-aligned programs had improper payments exceeding the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.

### Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

*Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.*

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment

**Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under the Improper Payments Elimination and Recovery Act of 2010 (IPERA), found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Not applicable. The OIG's most recent compliance review, which was the OIG's examination of the Department's FY 2019 compliance under IPERA, found that the Department complied, in all material respects, with all applicable requirements for the fiscal year ended September 30, 2019.

**Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))**

*Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.*

Does the program use the Do Not Pay Initiative (DNP) (yes/no)? **Yes** | Has the DNP reduced/prevented improper payments (yes/no)? **No** | How frequently are corrections made? **N/A** | How frequently is incorrect information identified? **N/A**

The Department did not request any changes to the Treasury Working System in FY 2020 for the State, Local, Tribal, and Other program or the Department's other four programs. There were no AIS-Obituary, AIS-Probate, DMF, or DOS hits for the State, Local, Tribal, and Other program during FY 2020. Therefore, the type of information we reported for the Department's other four mission-aligned programs (Law Enforcement; Litigation; Prisons and Detention; and Administrative, Technology, and Other) related to hits is not applicable to the State, Local, Tribal, and Other program.