



April 2018

2018 ANNUAL REPORT:

Additional
Opportunities to
Reduce
Fragmentation,
Overlap, and
Duplication and
Achieve Other
Financial Benefits



April 26, 2018

Congressional Addressees

The federal government faces an unsustainable long-term fiscal path based on an imbalance between federal revenue and spending, primarily driven by health care spending and net interest on the debt.¹ Addressing this imbalance will require long-term changes to both spending and revenue and difficult fiscal policy decisions. Significant action to mitigate this imbalance must be taken soon to minimize the disruption to individuals and the economy.

Congress and executive branch agencies have opportunities to contribute toward fiscal sustainability and act as stewards of federal resources. These include taking actions to reduce, eliminate, or better manage fragmentation, overlap, or duplication among federal agencies and programs; achieve cost savings; or enhance revenues. To call attention to these opportunities, Congress included a provision in statute for us to identify and report to Congress on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.² As part of this work, we also identify additional opportunities to achieve greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

In our first seven annual reports issued from 2011 to 2017, we presented 724 actions in 278 areas for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenue.³ To date, Congress and executive branch agencies have partially or fully addressed 551 (76 percent) of the actions we identified from 2011 to 2017, resulting

¹GAO, *Financial Audit: Fiscal Years 2017 and 2016 Consolidated Financial Statements of the U.S. Government*, [GAO-18-316R](#) (Washington, D.C.: Feb. 15, 2018), *The Nation's Fiscal Health: Action Is Needed to Address the Federal Government's Fiscal Future*, [GAO-17-237SP](#) (Washington, D.C.: Jan. 17, 2017). GAO's analysis of the federal fiscal outlook can be found at http://www.gao.gov/fiscal_outlook/federal_fiscal_outlook/overview.

²Pub. L. No. 111-139, § 21, 124 Stat. 8,29 (2010), *codified at* 31 U.S.C. § 712 note.

³See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2017 annual reports: <http://www.gao.gov/duplication/overview>.

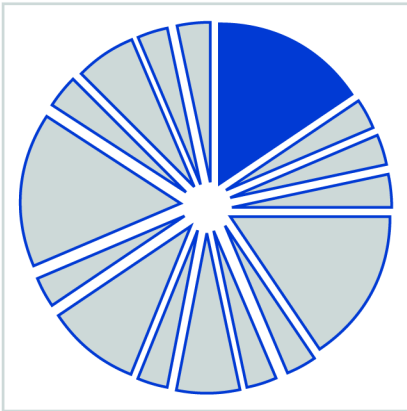
in about \$178 billion in financial benefits. We estimate that tens of billions more dollars could be saved by fully implementing our open actions.⁴ Further, our work could help the Congress identify duplicative, overlapping, or fragmented programs as it considers the administration's efforts to reorganize and reform the federal government.⁵ Figure 1 outlines the definitions we use for fragmentation, overlap, and duplication for this work.

⁴In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. Realized benefits have been rounded down to the nearest \$1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude. These totals represent a rough estimate of financial benefits.

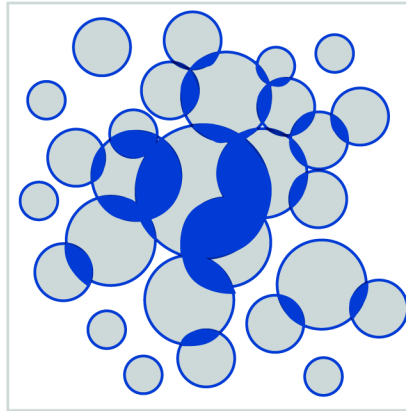
⁵White House, Comprehensive Plan for Reorganizing the Executive Branch, E.O. 13781 (Washington, D.C.: Mar. 13, 2017) and Office of Management and Budget, Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce, M-17-22 (Washington, D.C.: Apr. 12, 2017). Executive branch agencies have been directed to assess which activities can be restructured, streamlined, or merged to, among other objectives, reduce duplication of activities, eliminate redundant levels of management or administrative support, and improve coordination and information sharing across existing silos. The administration's initial reform plan included proposals such as using shared services by leveraging the government's economies of scale, and consolidating or realigning regional offices and personnel. The President's Management Agenda was also released in March 2018, see <https://www.whitehouse.gov/omb/management/pma/>.

Figure 1: Definitions of Fragmentation, Overlap, and Duplication

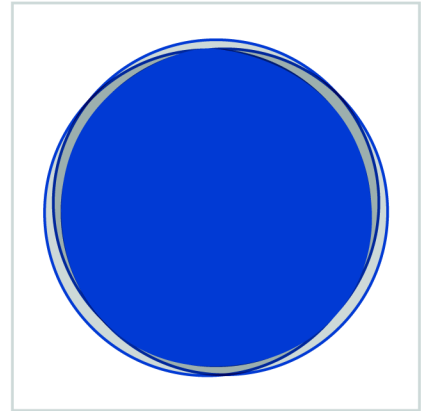
Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.



Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.



Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



Source: GAO. | GAO-18-371SP



GAO's online *Action Tracker*

GAO's *Action Tracker*, a publicly accessible website, allows Congress, executive branch agencies, and the public to track the government's progress in addressing the issues we have identified. GAO updates the *Action Tracker* twice a year, in the spring and fall.

[Click here to access GAO's online *Action Tracker* and downloadable spreadsheet \(available in XLSX or CSV formats\).](#)

Source: GAO. | GAO-18-371SP

This report is our eighth in the series and it identifies 23 new areas where a broad range of federal agencies may be able to achieve greater efficiency or effectiveness.

For each area, we suggest actions that Congress or executive branch agencies could take to reduce, eliminate, or better manage fragmentation, overlap, or duplication, or achieve other financial benefits. In addition to identifying new areas, we monitor the progress Congress and executive branch agencies have made in addressing actions we previously identified (see sidebar).

With the issuance of this report, we are concurrently releasing the latest updates to our [Action Tracker](#). Our tracker includes a downloadable spreadsheet (available in [XLSX](#) or [CSV](#) formats) that users can sort and filter based on their specific needs or interests. For example, areas and actions can be sorted by the year identified, mission area name, implementation status, and implementing entities (Congress or specific agencies).

This report is based upon work we previously conducted in accordance with generally accepted government auditing standards or our quality assurance framework. See appendix I for more information on our scope and methodology for this report.

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

This report presents 68 new actions that Congress or executive branch agencies could take across 23 areas.⁶ Over 25 of these actions in 13 areas concern fragmentation, overlap, or duplication in government missions and functions (see table 1).⁷ Appendix II provides more detailed information about these new areas.

Table 1: New Fragmentation, Overlap, and Duplication Areas Identified in This Report

Mission	Area	Page
Agriculture	1. Imported Seafood Oversight: Improved coordination between the Food and Drug Administration and the Food Safety and Inspection Service on the oversight of imported seafood would help the agencies better manage fragmentation and more consistently protect consumers from unsafe drug residues.	37
Defense	2. Defense Distribution Centers: By minimizing unnecessary overlap and duplication and more efficiently using its U.S. distribution centers to store and process goods for troop support, such as clothing and weapon systems repair parts, the Department of Defense could potentially save approximately \$527 million over 5 years .	39
	3. GPS Modernization: To reduce the risk of unnecessary duplication, the Department of Defense should assign a single organization responsibility for ensuring that common solutions for Global Positioning System receiver card modernization efforts are collected and shared among hundreds of programs. Receiver card modernization for a small portion of weapon systems is estimated to cost \$2.5 billion through fiscal year 2021.	41
General government	4. Federal Use of Identity Theft Services: The Office of Management and Budget should explore options to address the risk that federal agencies may offer duplicative identity theft services in response to data breaches, potentially saving millions of dollars annually in unnecessary expenditures.	43

⁶Of the 68 new actions, 7 were added to six existing areas (see appendix IV), which are not a part of the 23 new areas we identified this year. The 68 also include one action we added to the [Action Tracker](#) that was inadvertently not included in the 2017 report to the Agencies' Use of Strategic Sourcing area (see [2013, Area 23](#)). These are in addition to the new areas listed in tables 1 and 2.

⁷The 68 new actions do not include 6 actions in four areas that agencies addressed before this report was issued. Specifically, the Department of State addressed three actions related to Iraqi and Syrian Cultural Property Protection (see [2018, Area 24](#)), the Department of Transportation (DOT) addressed one action related to DOT Operational Improvements (see [2018, Area 25](#)), the Department of Veterans Affairs addressed one action related to VA Human Capital Challenges (see [2018, Area 6](#)), and the U.S. Agency for International Development addressed one action related to Combating Wildlife Trafficking (see [2018, Area 11](#)). As such, we have added these actions to the [Action Tracker](#) with a status of "addressed."

Mission	Area	Page
Health	5. Graduate Medical Education Funding: The Department of Health and Human Services should coordinate with federal agencies, including the Department of Veterans Affairs, to improve the effectiveness and oversight of fragmented federal funding for physician graduate medical education, which cost the federal government \$14.5 billion in 2015.	45
	6. VA Human Capital Challenges: The Veterans Health Administration should strengthen its human resources internal control practices and its employee performance management processes to address fragmentation across the agency and improve its ability to serve veterans.	47
Homeland security/law enforcement	7. Coast Guard Boat Stations: The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save millions of dollars.	49
	8. National Institute of Standards and Technology Security Program Management: By addressing fragmentation in their physical security management structure, the Department of Commerce and the National Institute of Standards and Technology could improve their physical security program.	51
Income security	9. Reviews of SSA Disability Appeals: The Social Security Administration should evaluate its quality assurance reviews of decisions on appealed disability claims, which cost at least \$11 million in fiscal year 2016, to reduce or better manage overlap between the types of reviews.	53
	10. Supplemental Security Income: To better manage fragmentation in service delivery, the Social Security Administration should explore options for better connecting transition-age youth receiving Supplemental Security Income to vocational rehabilitation services.	55
International affairs	11. Combating Wildlife Trafficking: Federal agencies that combat wildlife trafficking should clarify roles and responsibilities in Southeast Asia to better manage fragmentation and have more reasonable assurance that they can effectively marshal the contributions of all agencies.	57
Science and the environment	12. High-Containment Laboratories: The Federal Select Agent Program needs to better coordinate workforce planning across its two agencies to help address fragmentation in oversight of high-containment laboratories.	59
Training, employment, and education	13. STEM Education Programs: Meeting requirements to assess the 163 federal science, technology, engineering, and mathematics education programs could create opportunities to better manage fragmentation and overlap and enhance the effectiveness of the portfolio.	61

Source: GAO. | GAO-18-371SP

In addition, we present over 30 new opportunities for Congress or executive branch agencies to reduce the cost of government operations or enhance revenue collections for the U.S. Treasury across 10 areas of government (see table 2). See appendix III for more detailed information about these new areas.

Table 2: New Cost Savings and Revenue Enhancement Opportunities Identified in This Report

Mission	Area	Page
Defense	14. Foreign Currency Fluctuation: The Department of Defense needs to more efficiently and effectively manage foreign currency funds to potentially save millions of dollars .	65
	15. Supply Operations at Military Depots: The Department of Defense could improve the efficiency and effectiveness of supply operations at Army and Marine Corps depots and Navy shipyards and save tens of millions of dollars .	67
Economic development	16. Fiscal Management of the Universal Service Fund: By addressing weaknesses in the management and oversight of the Universal Service Fund, the Federal Communications Commission could eliminate at least \$1 million annually in fees paid to a private bank to manage investments.	69
Energy	17. DOE's Treatment of Hanford's Low-Activity Waste: The Department of Energy may be able to reduce certain risks and save tens of billions of dollars by adopting alternative approaches to treat a portion of its low-activity radioactive waste.	71
General government	18. Employment Taxes: Analyzing and using results from the Internal Revenue Service's National Research Program employment tax study could help the agency identify and pursue millions of dollars annually in additional revenue owed.	73
	19. Tax Fraud and Noncompliance: The Internal Revenue Service should fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season, which could protect millions of dollars annually .	75
Health	20. Premium Tax Credit Improper Payments: The Centers for Medicare & Medicaid Services and the Internal Revenue Service could save money by strengthening controls over the Premium Tax Credit for health insurance, which cost about \$35 billion for fiscal year 2017.	77
	21. VA Medical Supplies Procurement: The Department of Veterans Affairs could potentially save tens of millions of dollars when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.	79
Homeland security/law enforcement	22. Bureau of Prisons Health Care Costs: The Federal Bureau of Prisons could improve the oversight and management of its health care costs to more efficiently and effectively acquire health care goods and services and potentially save millions of dollars annually .	81
Income security	23. Railroad Retirement Board Continuing Disability Reviews: The Railroad Retirement Board could reduce overpayments by millions of dollars and better target resources by using more timely earnings data and reallocating resources used for high-risk continuing disability reviews to more effective efforts.	83

Source: GAO. | GAO-18-371SP

In addition to these new areas, we identified seven new actions that relate to six existing areas presented in our 2011 to 2017 annual reports (see table 3). See appendix IV for more detailed information about these new actions.

Table 3: New Actions Added to Existing Areas in 2018

Mission	New action (area name links to <i>Action Tracker</i>)	Year introduced (year links to report)	Page
Agriculture	Crop Insurance: In July 2017, GAO identified a new action that Congress can take to reduce the cost of delivering the federal crop insurance program by hundreds of millions of dollars annually .	2013	86
Defense	Defense Virtual Training: In September 2017, GAO identified a new action to help the Marine Corps better manage fragmentation in its virtual training program.	2016	86
	Navy Shipbuilding: In March 2017, GAO identified a new action to help the Navy improve its use of incentives in shipbuilding.	2017	87
General government	Federal Vehicles: In April 2017, GAO identified two new actions to help the federal government better manage its fleet of retained vehicles.	2016	87
Homeland security/law enforcement	Security of Federal Facilities: In February 2017, GAO identified a new action to better manage fragmentation among federal agencies to address risks to federal courthouse security.	2016	88
Information technology	Information Technology Investment Portfolio Management: In September 2016, GAO identified a new action to improve federal agencies' efforts to complete software application inventories, which could further contribute to the billions of dollars of potential savings previously identified.	2014	88

Source: GAO. | GAO-18-371SP

Congress and Executive Branch Agencies Continue to Address Actions That Span the Federal Government

We monitor the progress that Congress and executive branch agencies have made in addressing the issues we identified in each of our last seven annual reports. As shown in table 4, Congress and executive branch agencies have made consistent progress in addressing many of the actions we identified from 2011 to 2017. As of March 2018, 376 (52 percent) of the actions we identified from 2011 to 2017 have been fully addressed. See our online [Action Tracker](#) for the status of all actions.

Table 4: Status of 2011 to 2017 Actions Directed to Congress and the Executive Branch, as of March 2018

Status	Number of congressional actions (percentage)^a	Number of executive branch actions (percentage)^b	Total (percentage)
Addressed	30 (31%)	346 (55%)	376 (52%)
Partially addressed	11 (11%)	164 (26%)	175 (24%)
Not addressed	44 (45%)	78 (12%)	122 (17%)
Other ^c	12 (12%)	39 (6%)	51 (7%)
Total	97 (100%)	627 (100%)	724 (100%)

Source: GAO. | GAO-18-371SP

Note: Due to rounding, the actual total percentages do not add up to exactly 100 percent.

^aIn assessing actions suggested for Congress, GAO applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, GAO reapplies the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

^bIn assessing actions suggested for the executive branch, GAO applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development, or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

^cOf the 51 “other” actions, 34 are categorized as “consolidated or other” and 17 as “closed-not addressed.” Actions categorized as “consolidated or other” and “closed-not addressed” are no longer assessed. In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. Actions are generally “closed-not addressed” when the action is no longer relevant due to changing circumstances.

Billions in Financial Benefits Due to Actions Taken by Congress and Executive Branch Agencies

The progress Congress and executive branch agencies have made in addressing our open actions has resulted in \$178 billion in financial benefits, including roughly \$125 billion in financial benefits from 2010 through 2017, with at least an additional \$53 billion in estimated benefits projected to accrue in 2018 or later.⁸ Table 5 highlights examples of these results.

Table 5: Examples of Addressed or Partially Addressed Actions with Associated Cost Savings and Revenue Enhancements

Area name (links to <i>Action Tracker</i>)	Actions taken	Financial benefit
Farm Program Payments (2011/Area 35)	Congress passed and the President signed the Agricultural Act of 2014, which eliminated direct payments to farmers. ^a	Savings of approximately \$44.5 billion from fiscal year 2015 through fiscal year 2023, of which \$14.8 billion has accrued and \$29.7 billion is expected to accrue in fiscal year 2018 or later, according to the Congressional Budget Office (CBO).
Weapon Systems Acquisition Programs (2011/Area 38)	Congress passed and the President signed the Weapon Systems Acquisition Reform Act of 2009, which implemented a number of GAO's recommendations for how the Department of Defense (DOD) develops and acquires weapon systems. GAO highlighted the need for additional action in this area in its 2011 report. Since then, DOD has followed more best practices for these acquisitions. ^b	Savings of approximately \$36 billion from 2011 through 2015, according to GAO analysis.
Domestic Ethanol Production (2011/Area 13)	Congress allowed the Volumetric Ethanol Excise Tax Credit to expire at the end of 2011, which eliminated duplicative federal efforts directed at increasing domestic ethanol production and reduced revenue losses. ^c	Reduced revenue losses by \$29 billion in fiscal years 2012 through 2016, according to GAO analysis.
Passenger Aviation Security Fees (2012/Area 48)	Congress passed the Bipartisan Budget Act of 2013 which modified the passenger security fee from its current per enplanement structure (\$2.50 per enplanement with a maximum one-way-trip fee of \$5.00) to a structure that increases the passenger security fee to a flat \$5.60 per one-way-trip. ^d	Increased revenue of about \$12.9 billion in fee collections over a 10-year period beginning in fiscal year 2014 and continuing through fiscal year 2023.
Tax Policies and Enforcement (2015/Area 17)	Congress amended the audit procedures applicable to certain large partnerships to require that they pay audit adjustments at the partnership level. ^e	Increase revenue by \$9.3 billion from fiscal years 2019 to 2025, according to the Joint Committee on Taxation.

⁸In calculating these totals, we relied on individual estimates from a variety of sources, which considered different periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

Area name (links to <i>Action Tracker</i>)	Actions taken	Financial benefit
Real Estate-Owned Properties (2014/Area 18)	The Department of Housing and Urban Development made improvements to increase the recoveries from disposing of properties it receives when loans default, such as by selling these loans and increasing property inspections and oversight of contractors disposing of these properties.	Savings of up to \$4.7 billion from July 2013 through June 2017, according to GAO analysis.
Combat Uniforms (2013/Area 2)	The Army chose not to introduce a new family of camouflage uniforms into its inventory.	Cost avoidance of about \$4.2 billion over 5 years, of which \$3.4 billion has accrued since fiscal year 2014 and \$0.8 billion is expected to accrue in fiscal year 2018, according to agency estimates.
Federal Data Centers (2011/Area 15)	The 24 federal agencies participating in the Office of Management and Budget's (OMB) data center consolidation and optimization efforts have taken steps to consolidate over 5,800 data centers as of August 2017.	Cost savings and avoidances of \$3.9 billion from fiscal years 2011 through 2018, based on GAO analysis of agency reported data. This includes about \$345.4 million expected to accrue in fiscal year 2018, according to agencies' plans.
Agencies' Use of Strategic Sourcing (2013/Area 23)	The Department of Veterans Affairs evaluated strategic sourcing opportunities and set goals and metrics such as increasing managed spending for information technology (IT) products and services.	Cost avoidance of about \$3.6 billion from fiscal years 2013 through 2015, according to agency estimates.
Overseas Defense Posture (2012/Area 37)	United States Forces Korea conducted a series of consultations with the military services to evaluate the costs and benefits associated with tour normalization, and DOD decided not to move forward with the full tour normalization initiative because it was not affordable.	Savings of an estimated \$3.1 billion from fiscal years 2012 through 2016, according to agency estimates.
Homeland Security Grants (2012/Area 17)	Congress limited preparedness grant funding until the Federal Emergency Management Agency completes a national preparedness assessment of capability gaps.	Savings of \$2.6 billion from fiscal years 2011 through 2013, according to GAO analysis.
Treasury's Foreclosure Prevention Efforts (2016/Area 17)	The Department of the Treasury (Treasury) updated its analysis of estimated future expenditures for the Making Home Affordable program, reducing the estimated lifetime cost of the program.	Savings of \$2 billion as a result of deobligating funds in February 2016, according to agency estimates.
Information Technology Investment Portfolio Management (2014/Area 24)	Eight agencies completed efforts to migrate commodity IT areas to shared services in response to OMB's 2012 guidance to review their portfolios and identify duplicative, low-value, and wasteful investments, contributing to savings.	Savings of about \$1.8 billion from fiscal years 2012 through 2016, according to agency estimates.
DOD's Business Systems (2011/Area 8)	DOD canceled the Air Force's Expeditionary Combat Support System because of significant cost and schedule overages.	Savings of about \$1.6 billion from fiscal years 2013 through 2025, according to GAO analysis of agency estimates. This includes about \$985 million expected to accrue in fiscal year 2018 or later.

Area name (links to <i>Action Tracker</i>)	Actions taken	Financial benefit
Strategic Petroleum Reserve (2015/Area 15)	The Department of Energy (DOE) completed a long-term strategic review of the Strategic Petroleum Reserve in August 2016, as Congress required in 2015.	DOE reported savings of \$1.2 billion from selling crude oil from the reserve in fiscal year 2017 and 2018, with potential for over \$8.4 billion in total sales through 2025 according to CBO.
Federal Payments for Hospital Uncompensated Care (2017/Area 25)	The Department of Health and Human Services began to align Medicare Uncompensated Care payments with hospitals' actual uncompensated care costs starting in fiscal year 2018 instead of basing these payments on hospitals' Medicaid workload.	Financial benefits of about \$752 million in fiscal year 2018 from better use of Medicare funds, according to GAO analysis.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

^aPub. L. No. 113-79, § 1101, 128 Stat. 649, 658 (2014).

^bPub. L. No. 111-23, 123 Stat. 1704 (2009).

^c26 U.S.C. § 6426(b)(6).

^dPub. L. No. 113-67, § 601(b), 127 Stat. 1165, 1187 (2013).

^eBipartisan Budget Act of 2015, Pub. L. No. 114-74, § 1101, 129 Stat. 584, 625–638 (2015).

^fPub. L. No. 112-10, § 1632, 125 Stat. 38, 143 (2011); Pub. L. No. 112-74, 125 Stat. 786, 960-62 (2011); Pub. L. No. 113-6, 127 Stat. 198, 358-60 (2013); Pub. L. No. 113-76, 118 Stat. 5, 261-62 (2014).

While not all actions result in financial benefits to taxpayers, all of our suggested actions, when implemented, can result in other benefits—for instance, they make government more efficient or eliminate, reduce, or improve management of fragmented, overlapping, or duplicative programs. For example, such benefits can be seen in the results of our work on the government's acquisition of space programs. For over two decades, we and others have reported on problems caused by fragmented leadership and a lack of a single authority in oversight of these multibillion dollar programs.

In 2012, we made a recommendation aimed at strengthening leadership and authority of space systems acquisitions. In response, in 2017 the President revived the National Space Council to provide a coordinated process for developing and monitoring the implementation of national space policy and strategy. Separately, in the National Defense Authorization Act for Fiscal Year 2018, Congress made changes to certain DOD space leadership positions and required the department to conduct a review and identify a recommended organizational and management structure for its national security space components, and submit related reports. The act also required DOD to contract with a

federally funded research and development center not closely affiliated with the Air Force to develop a plan to establish a separate military department responsible for DOD national security space activities.⁹ These actions could reduce fragmentation and speed decision making in the development of a substantial investment in space systems.

Action on Remaining and New Areas Could Yield Significant Additional Benefits

While Congress and executive branch agencies have made progress toward addressing the 798 total actions we have identified since 2011, further steps are needed to fully address the 365 actions that are partially addressed or not addressed.¹⁰ We estimate that tens of billions of dollars in additional financial benefits could be realized should Congress and executive branch agencies fully address open actions.¹¹ In addition to producing financial benefits, these actions make government more efficient; improve major government programs or agencies; reduce mismanagement, fraud, waste, and abuse; and increase assurance that programs comply with laws and funds are legally spent.

Significant Open Actions Directed to Congress

Congress has used our work to identify legislative solutions to achieve cost savings, address emerging problems, and find efficiencies in federal agencies and programs. Our work has contributed to a number of key authorizations and appropriations. In addition, congressional oversight of agencies' efforts has been critical in realizing the full benefits of our suggested actions addressed to the executive branch, and it will continue to be critical in the future.

In our 2011 to 2018 annual reports, we directed 100 actions to Congress, including the 3 new congressional actions we identified in 2018. Of the 100 actions, 58 remain open (11 of which were partially addressed and 47 were not addressed or new) as of March 2018. Table 6 highlights areas with significant open actions directed to Congress. Appendix V has a full list of all open congressional actions.

⁹Pub. L. No. 115-91, § 1601(c), (d), 131 Stat. 1283, (2017).

¹⁰The 798 total actions include the 68 new actions identified in this report and six new actions that were addressed before this report was issued.

¹¹In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

Table 6: Examples of Areas with Open Actions Directed to Congress

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	DOE's Treatment of Hanford's Low-Activity Waste (Area 17): Congress should consider granting the Department of Energy (DOE) authority to manage certain portions of Hanford's tank waste as a waste type other than high-level waste, which would allow DOE to use alternative waste treatment approaches and could reduce certain risks and save tens of billions of dollars .
2017	Use of the Do Not Pay Working System (Area 11): The Office of Management and Budget (OMB) needs to develop a strategy and additional guidance on the use of the Do Not Pay working system, and Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration (SSA) to share its full death file through the system to reduce improper payments and mitigate the risks associated with potential duplication.
2016	Treasury's Foreclosure Prevention Efforts (Area 17): Congress could rescind and direct \$4.8 billion to other priorities upon the Department of Treasury's review of potential unexpended balances and deobligation of excess funds for the Making Home Affordable Program.
2016	Medicare Payments by Place of Service (Area 30): Medicare could save \$1 to 2 billion annually if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed. ^a
2015	DOD US Family Health Plan (Area 6): To potentially save millions of dollars and eliminate duplication within the Department of Defense's (DOD) health care system, Congress should terminate the statutorily required US Family Health Plan because it offers military beneficiaries the same health care benefit offered by other DOD health care contractors within many of the same geographic service areas.
2015	Medicare Payments to Certain Cancer Hospitals (Area 19): To achieve almost \$500 million annually in program savings, Congress should consider modifying how Medicare pays certain cancer hospitals.
2014	Disability and Unemployment Benefits (Area 8): Congress should consider passing legislation to prevent individuals from collecting both full Disability Insurance benefits and Unemployment Insurance benefits that cover the same period, which could save almost \$2.5 billion over 10 years in the Social Security Disability Insurance program, according to OMB.
2014	Advanced Technology Vehicles Manufacturing Loan Program (Area 13): Unless DOE can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining \$4.3 billion in credit subsidy appropriations.
2013	Crop Insurance (Area 19): To achieve up to \$1.4 billion annually in cost savings in the crop insurance program, Congress could consider limiting the subsidy for premiums that are provided on behalf of individual farmers—as it limits the amount of payments to individual farmers in many farm programs—or reducing the subsidy or some combination of limiting and reducing these subsidies.
2013	Tobacco Taxes (Area 31): Federal revenue losses ranged from as much as \$2.6 to \$3.7 billion between April 2009 and February 2014 because manufacturers and consumers substituted higher-taxed smoking tobacco products with similar lower-taxed products. To address future revenue losses, Congress should consider modifying tobacco tax rates to eliminate significant tax differentials between similar products.

**Annual report
(year links
to report)**

Area description (area number links to *Action Tracker*)

2011	Social Security Offsets (Area 80): SSA needs data on pensions from noncovered earnings to better enforce offsets and ensure benefit fairness, which could result in estimated savings of \$2.4 to \$7.9 billion over 10 years if enforced both retrospectively and prospectively, according to the Congressional Budget Office and SSA. Congress could consider giving the Internal Revenue Service the authority to collect the necessary information. Estimated savings would be less if SSA only enforced the offsets prospectively as it would not reduce benefits already received.
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Source: GAO. | GAO-18-371SP

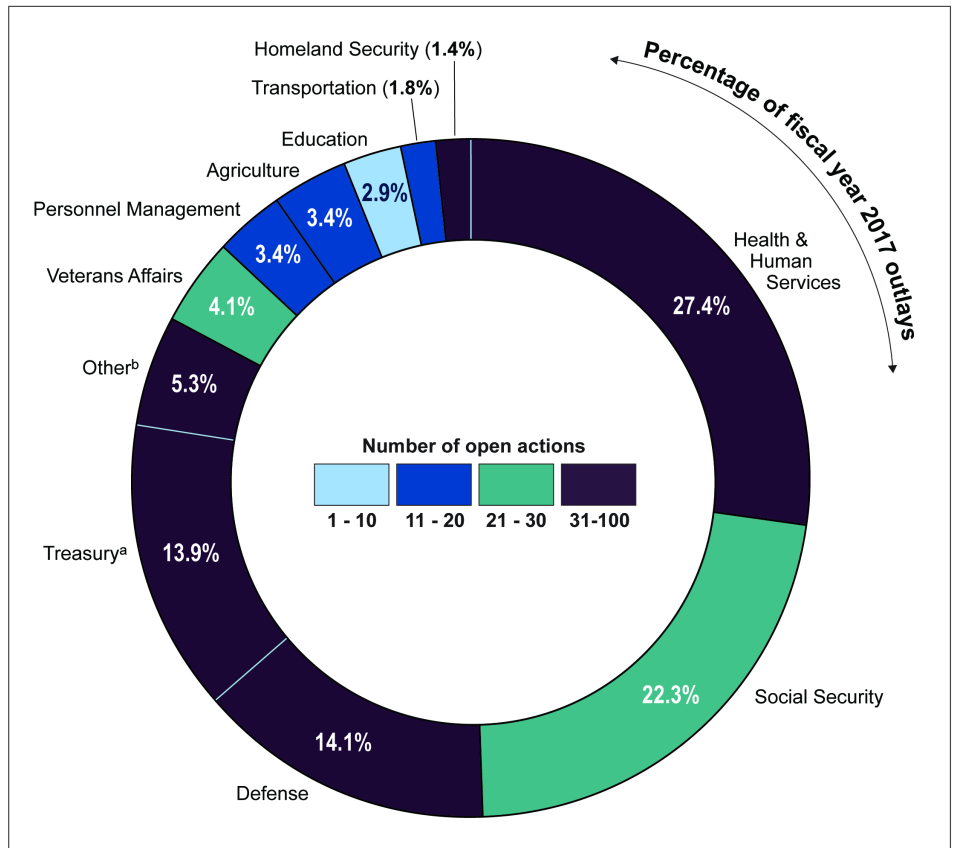
Note: The estimates in this report are from a range of sources, including GAO, executive-branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

^aIn 2015, Congress took some steps to address this by excluding services furnished by off-campus hospital outpatient departments from this higher payment, effective January 1, 2017. However, this exclusion will not apply to services furnished by providers billing as hospital outpatient departments prior to enactment of the legislation—that is, all providers billing as hospital outpatients during GAO's study—who would continue to be paid under higher rate or to services provided by on-campus hospital outpatient departments. Congress later added providers meeting a mid-build requirement to the list of providers to which the exclusion would not apply.

**Significant Open Actions
Directed to Executive
Branch Agencies**

In our 2011 to 2018 annual reports, we directed 698 actions to executive branch agencies, including 65 new actions identified in 2018. Of the 698 actions, 307 remained open as of March 2018. Of these open actions, 164 were partially addressed and 143 were not addressed or new. While these open actions span the government, a substantial number of them are directed to seven agencies that made up 83 percent—\$3.7 trillion—of federal outlays in fiscal year 2017 and have the largest number of open actions (see figures 2 and 3).

Figure 2: Fiscal Year 2017 Outlays and Number of Open Actions since 2011, by Agency



Source: GAO. | GAO-18-371SP

Notes: Number of open actions includes actions that are partially addressed and not addressed.



^aTreasury's percentage of fiscal year 2017 outlays includes interest payments on the national debt as well as costs associated with administering Bureaus including the Internal Revenue Service.

^bOther agencies include all federal agencies with fiscal year 2017 outlays not listed above.

As shown in figure 3, seven agencies have at least 25 open actions.

Figure 3: Number of Not Addressed and Partially Addressed Actions since 2011, by Agency

Agency	Number of open actions		Total
Department of Defense	47	27	74
Department of Health and Human Services	25	31	56
Internal Revenue Service	22	16	38
Department of Homeland Security	27	4	31
Office of Management and Budget	15	15	30
Social Security Administration	17	10	27
Department of Veterans Affairs	16	9	25
Department of the Treasury	14	5	19
Department of Commerce	15	3	18
Other entities ^a	4	13	17
Department of the Interior	13	3	16
Department of State	13	3	16
Department of Transportation	12	2	14
Environmental Protection Agency	13	1	14
Department of Agriculture	9	4	13
Department of Energy	8	5	13
Department of Justice	9	4	13
Office of Personnel Management	11	2	13
Small Business Administration	11	1	12
Department of Housing and Urban Development	9	1	10
General Services Administration	7	2	9
National Aeronautics and Space Administration	6	2	8
National Science Foundation	6	2	8
Nuclear Regulatory Commission	6	1	7
Department of Labor	5	1	6
Department of Education	4	1	5
U.S. Agency for International Development	1	1	2

 Number of actions partially addressed
 Number of actions not addressed

Source: GAO. | GAO-18-371SP

Notes: Action status is as of March 2018. Individual actions are counted multiple times when they are directed to more than one federal department or agency. As a result, the number of open actions shown in this figure totals 514 instead of 307, the latter of which is the total number of open actions directed to the executive branch as of March 2018.

The number of actions “partially addressed” means the action needed is in development or started but not yet completed. The number of actions “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed. Actions that were introduced in this 2018 annual report are counted as “not addressed.”

^a“Other entities” reflects open actions directed to the following federal entities: The Executive Office of the President, National Security Council, Office of the Director of National Intelligence, Office of National Drug Control Policy, Office of Science and Technology Policy, Homeland Security Council, Consumer Financial Protection Bureau, Federal Reserve, U.S. Commission on International Religious Freedom, National Telecommunications and Information Administration, Railroad Retirement Board, the Committee on Science, Technology, Engineering, and Mathematics Education and the Federal Communications Commission.

The following sections highlight examples of open actions across those seven major agencies.

More Efficiently Targeting Defense Resources

In our 2011 to 2018 reports, we directed 176 actions to DOD in areas that center on DOD’s effectiveness in providing the military forces needed to deter war and to protect the security of the United States. As of March 2018, 74 of these 176 actions remained open. DOD represented about 14 percent of federal spending in fiscal year 2017, with outlays totaling about \$635.5 billion. Our work suggests that effectively implementing these open actions, including those related to areas listed in table 7, could yield substantial financial benefits and improve DOD’s effectiveness.

Table 7: Examples of Areas with Open Actions Directed to the Department of Defense

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Defense Distribution Centers (Area 2): By minimizing unnecessary overlap and duplication and more efficiently using its U.S. distribution centers to store and process goods for troop support, such as clothing and weapon systems repair parts, the Department of Defense (DOD) could potentially save approximately \$527 million over 5 years .
2017	DOD Commissaries (Area 16): By managing its commissaries more efficiently, DOD could position itself to better achieve its cost savings target of \$2 billion.
2013	Agencies’ Use of Strategic Sourcing (Area 23): Selected agencies—including DOD—could better leverage their buying power and achieve additional savings by directing more procurement spending to existing strategically sourced contracts and further expanding strategic sourcing practices to their highest spending procurement categories. GAO originally estimates that savings of 1 percent from selected agencies’ procurement spending alone would equate to over \$4 billion. Resulting action from one of these agencies (the Department of Veterans Affairs) has already resulted in \$3.6 billion in savings.
2012, 2015	DOD Headquarters Reductions and Workforce Requirements (Areas 34, 14): DOD could potentially save \$9.4 billion by identifying further opportunities for consolidating or reducing the size of headquarters organizations to meet their assigned missions through periodic reassessments of its workforce requirements.

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2011	Weapon Systems Acquisition Programs (Area 38): Continuing to employ best management practices could help DOD save money on its weapon systems acquisition programs. Given the trillion-dollar size of the portfolio, GAO estimates potential savings from addressing the remaining actions could be in the billions of dollars over the next several years.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Improving the Efficiency of Health Care Programs

In our 2011 to 2018 reports, we directed 111 actions to the Department of Health and Human Services (HHS) in areas that contribute to HHS's mission to enhance the health and well-being of Americans. HHS provides health coverage for over 145 million Americans through three principal programs—Medicare, Medicaid, and the Children's Health Insurance Program—as well as the health-insurance marketplaces. HHS also operates other public health-related agencies such as the Food and Drug Administration, the Centers for Disease Control and Prevention, and the National Institutes of Health. HHS represented about 27 percent of the fiscal year 2017 federal budget, with outlays totaling about \$1.2 trillion. As of March 2018, 56 of HHS's 111 actions remained open. Our work suggests that effectively implementing these actions, including those related to areas listed in table 8, could reduce costs, provide services more efficiently, and yield substantial financial benefits.

Table 8: Examples of Areas with Open Actions Directed to the Department of Health and Human Services

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
Medicare	
2015	Medicare Postpayment Claims Reviews (Area 7): To prevent inappropriate duplicative postpayment claims reviews by contractors, the Centers for Medicare & Medicaid Services (CMS) should monitor the Recovery Audit Data Warehouse—the database developed in part to prevent duplicative reviews.
2012	Medicare Advantage Payments (Area 45): To help ensure appropriate payments to Medicare Advantage plans, CMS should take steps to improve the accuracy of the adjustment made for differences in diagnostic coding practices between Medicare Advantage plans and traditional Medicare providers, which could result in savings of billions of dollars.
Medicaid	
2017	Medicaid Personal Care Services Data (Area 26): CMS needs timely, complete, and consistent data on Medicaid personal care services so it can effectively monitor these services, which could lead to savings of tens of millions of dollars annually.

**Annual report
(year links
to report)**

Area description (area number links to *Action Tracker*)

2016	Medicaid Payments to Institutional Providers (Area 29): CMS should take steps to improve the oversight of state Medicaid payments to institutional providers and better ensure that the federal government does not provide funds for excessive state payments made to certain providers, which could result in savings of hundreds of millions of dollars annually .
2014, 2016	Demonstration Spending (Areas 21, 27): Federal spending on Medicaid demonstrations could be reduced by billions of dollars if the Department of Health and Human Services improved the process for reviewing, approving, and making transparent the basis for spending limits approved for Medicaid demonstrations, including better ensuring that valid methods are used to demonstrate budget neutrality and implemented other actions and recommendations, such as establishing specific criteria for assessing whether demonstration spending furthers Medicaid objectives.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Enhancing Federal Revenues

In our 2011 to 2018 reports, we directed 91 actions to the Internal Revenue Service (IRS) in areas that contribute to effectively and efficiently providing high-quality service to taxpayers and enforcing the law with integrity and fairness to all. As of March 2018, 38 of these 91 actions remained open. The funding of the federal government depends largely upon IRS's ability to collect taxes legally owed. Our work suggests that effective implementation of our open actions, including those related to areas listed in table 9, could increase revenues through better compliance or reduce costs.

Table 9: Examples of Areas with Open Actions Directed to the Internal Revenue Service

**Annual report
(year links
to report)**

Area description (area number links to *Action Tracker*)

2018	Employment Taxes (Area 18): Analyzing and using results from the Internal Revenue Service's (IRS) National Research Program employment tax study could help the agency identify and pursue millions of dollars annually in additional revenue owed.
2018	Tax Fraud and Noncompliance (Area 19): IRS should fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season, which could protect millions of dollars annually .
2017	Refundable Tax Credits (Area 24): IRS could potentially realize hundreds of millions of dollars in cost savings by improving the administration of three large refundable tax credits (the Earned Income Tax Credit; the Additional Child Tax Credit, which is sometimes combined with its nonrefundable counterpart, the Child Tax Credit; and the American Opportunity Tax Credit).
2016	Identity Theft Refund Fraud (Area 22): IRS and Congress could potentially save billions of dollars in fraudulent refunds by improving the agency's efforts to prevent refund fraud associated with identity theft.

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2014	Online Taxpayer Services (Area 17): IRS could potentially realize hundreds of millions of dollars in cost savings and increased revenues by enhancing its online services, which would improve service to taxpayers and encourage greater tax-law compliance.
2013, 2015	Tax Policy and Enforcement (Areas 22, 17): By using more-rigorous analyses to allocate enforcement resources and using data to improve management of enforcement programs such as large partnership and correspondence audits, among other things, the IRS can increase revenue collections by hundreds of millions of dollars .

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Improving the Efficiency and Effectiveness of Homeland Security Operations

In our 2011 to 2018 reports, we directed 79 actions to the Department of Homeland Security (DHS) in areas that contribute to the effective implementation of its mission. In fiscal year 2017, DHS spent about \$63.6 billion, about 1.4 percent of federal outlays. As of March 2018, 31 of the 79 actions to DHS remained open. Fully implementing these actions, including those related to areas listed in table 10, could result in financial benefits and substantial improvements in agency operations.

Table 10: Examples of Areas with Open Actions Directed to the Department of Homeland Security

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Coast Guard Boat Stations (Area 7): The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save millions of dollars .
2012	Border Security (Area 47): The Department of Homeland Security's (DHS) future acquisitions of border surveillance technology could be better informed by using performance metrics to assess the contributions of existing surveillance technologies.
2012	Domestic Disaster Assistance (Area 51): The Federal Emergency Management Agency could reduce the costs to the federal government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a state's capacity to respond without federal assistance.
2012	Homeland Security Grants (Area 17): DHS needs better project information and coordination among four overlapping grant programs and needs to establish a framework for assessing preparedness capabilities to identify gaps and prioritize investments.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Advancing the Implementation of Government-Wide Policies and Performance

Many of the results the federal government seeks to achieve require the coordinated effort of more than one federal agency, level of government, or sector. OMB manages and coordinates many government-wide efforts. In our 2011 to 2018 reports, we directed 66 actions to OMB in areas to improve the efficiency and effectiveness of government-wide programs and activities. As of March 2018, 30 of the 66 actions to OMB remained open. Fully implementing these actions, including those related to areas listed in table 11, could yield significant financial benefits and substantial program improvements across government.

Table 11: Examples of Areas with Open Actions Directed to the Office of Management and Budget

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Federal Use of Identity Theft Services (Area 4): The Office of Management and Budget (OMB) should explore options to address the risk that federal agencies may offer duplicative identity theft services in response to data breaches, potentially saving millions of dollars annually in unnecessary expenditures.
2014	Information Technology Investment Portfolio Management (Area 24): OMB and multiple agencies could help the federal government realize billions of dollars in savings by taking steps to better implement PortfolioStat, a process to help agencies manage their information technology investments.
2013	Geospatial Investments (Area 11): Better coordination among federal agencies that collect, maintain, and use geospatial information could help reduce duplication in geospatial investments and provide the opportunity for potential savings of millions of dollars .
2012	Federal User Fees (Area 43): Regularly reviewing federal user fees and charges can help Congress and federal agencies identify opportunities to address inconsistent federal funding approaches and enhance user financing, thereby reducing reliance on general fund appropriations.
2011	Tax Expenditures (Area 17): Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses by billions of dollars .
2011	Government-Wide Improper Payments (Area 46): Efforts to address the reported estimate of about \$141 billion in government-wide improper payments for fiscal year 2017 could result in significant cost savings.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

More Efficiently Administering Services to Retirees and Citizens with Disabilities

In our 2011 to 2018 reports, we directed 32 actions to the Social Security Administration (SSA) in areas that contribute to SSA providing financial assistance to eligible individuals through Social Security retirement and disability benefits and Supplemental Security Income (SSI) payments. As of March 2018, 27 of these 32 actions remained open. In fiscal year 2017, SSA spent about \$1 trillion, roughly 22 percent of federal outlays. While most of SSA's funding is used to pay Social Security retirement, survivors, and disability benefits from the Old-Age and Survivors

Insurance Trust Fund and the Disability Insurance Trust Fund, our work suggests that effective implementation of these actions, including the examples listed in table 12, could result in significant benefits.

Table 12: Examples of Areas with Open Actions Directed to the Social Security Administration

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	Supplemental Security Income (Area 10): To better manage fragmentation in service delivery, the Social Security Administration (SSA) should explore options for better connecting transition-age youth receiving Supplemental Security Income to vocational rehabilitation services.
2016	Disability Insurance Overpayments (Area 32): To help prevent the loss of billions of dollars, SSA should take steps to prevent overpayments to beneficiaries of the Disability Insurance program and improper waivers of beneficiaries' overpayment debt.
2016	Disability Reviews (Area 33): SSA may increase federal savings realized as a result of disability reviews by further considering factors that affect individuals' expected lifetime benefits when prioritizing its reviews of Disability Insurance and Supplemental Security Income cases.
2012	Social Security Benefit Coordination (Area 27): Benefit offsets for related programs help reduce the potential for overlapping payments but pose administrative challenges.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2017 report to reflect more recent analysis.

Improving Support and Services for Veterans

In our 2011 to 2018 reports, we directed 54 actions to the Department of Veterans Affairs (VA) in areas that contribute to VA effectively and efficiently achieving its mission to promote the health, welfare, and dignity of all veterans by ensuring that they receive medical care, benefits, and social support. As of March 2018, 25 of these 54 actions remained open. In fiscal year 2017, VA spent about \$183.0 billion—about 4 percent of federal outlays—for veterans' benefits and services. Our work suggests that effective implementation of these actions, including those related to areas listed in table 13, could yield cost savings and efficiencies that would improve the delivery of services to the nation's veterans and their families.

Table 13: Examples of Areas with Open Actions Directed to the Department of Veterans Affairs

Annual report (year links to report)	Area description (area number links to <i>Action Tracker</i>)
2018	VA Human Capital Challenges (Area 6): The Veterans Health Administration should strengthen its human resources internal control practices and its employee performance management processes to address fragmentation across the agency and improve its ability to serve veterans.
2018	VA Medical Supplies Procurement (Area 21): The Department of Veterans Affairs (VA) could potentially save tens of millions of dollars when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.
2017	Department of Veterans Affairs Medical Facility Construction (Area 20): VA could better avoid cost increases and schedule delays on its medical facility construction projects by improving management of facility construction.
2013	Information Technology Operations and Maintenance (Area 30): Strengthening oversight of federal agencies ¹ —including VA’s—major information technology investments in operations and maintenance provides opportunity for savings of billions of dollars in information technology investments across the federal government.
2012	Military and Veterans Health Care (Area 15): The Departments of Defense (DOD) and Veterans Affairs (VA) need to improve integration across care coordination and case-management programs to reduce duplication and better assist service members, veterans, and their families.

Source: GAO. | GAO-18-371SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, the Congressional Budget Office, and the Joint Committee on Taxation. Some estimates have been updated since GAO’s 2017 report to reflect more recent analysis.

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Comptroller General of the United States

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United States Senate

The Honorable Patrick Leahy
Vice Chairman
Committee on Appropriations
United States Senate

The Honorable Mike Enzi
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The Honorable Bernie Sanders
Ranking Minority Member
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The Honorable Ron Johnson
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The Honorable Claire McCaskill
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The Honorable Rodney Frelinghuysen
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The Honorable John Yarmuth
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The Honorable Trey Gowdy
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The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable Mark R. Warner
United States Senate

Abbreviations

ACTC	Additional Child Tax Credit
AOUSC	Administrative Office of the United States Courts
APHIS	Animal and Plant Health Inspection Service
ATVM	Advanced Technology Vehicles Manufacturing
BOP	Bureau of Prisons
CBO	Congressional Budget Office
CBP	U.S. Customs and Border Protection
CDC	Centers for Disease Control and Prevention
CDE	Community Development Entities
CHIP	Children's Health Insurance Program
CHIPRA	Children's Health Insurance Program Reauthorization Act of 2009
CMS	Centers for Medicare & Medicaid Services
Commerce	Department of Commerce
COMPETES 2010	The America COMPETES Reauthorization Act of 2010
CTC	Child Tax Credit
DHS	Department of Homeland Security
DI	Disability Insurance
DLA	Defense Logistics Agency
DOD	Department of Defense
DOE	Department of Energy
DOI	Department of the Interior
DOJ	Department of Justice
DOL	Department of Labor
DSH	Disproportionate Share Hospital
Education	Department of Education
EITC	Earned Income Tax Credit
FCC	Federal Communications Commission
FDA	Food and Drug Administration
FEMA	Federal Emergency Management Agency
FPI	Fixed-Price Incentive
FPS	Federal Protective Service
FSIS	Food Safety and Inspection Service
GME	Graduate Medical Education
GPRA	Government Performance and Results Act of 1993
GPRAMA	GPRA Modernization Act of 2010
GPS	Global Positioning System
GSA	General Services Administration
HHS	Department of Health and Human Services
HR	Human Resources
HUD	Department of Housing and Urban Development
ICASS	International Cooperative Administrative Support Services

Abbreviations

IEP	Individualized Education Program
Interior	Department of the Interior
IRA	Individual Retirement Account
IRS	Internal Revenue Service
IT	information technology
LAW	low-activity waste
MHA	Making Home Affordable
MSPV-NG	Medical Surgical Prime Vendor-Next Generation
NDNH	National Directory of New Hires
NIST	National Institute of Standards and Technology
NMTC	New Markets Tax Credit
NRCS	National Resources Conservation Service
NRP	National Research Program
NTIS	National Technical Information Service
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSY	Commerce's Office of Security
PPACA	Patient Protection and Affordable Care Act
PCH	PPS-exempt cancer hospitals
PPS	prospective payment system
PROMISE	Promoting Readiness of Minors in SSI
PTC	Premium Tax Credit
SAR	Search and Rescue
SSA	Social Security Administration
SSI	Supplemental Security Income
State	Department of State
STEM	science, technology, engineering, and mathematics
Treasury	Department of the Treasury
UI	Unemployment Insurance
USAID	U.S. Agency for International Development
USDA	Department of Agriculture
USEC	United States Enrichment Corporation
USF	Universal Service Fund
USFHP	US Family Health Plan
VA	Department of Veterans Affairs
VHA	Veterans Health Administration
VR	vocational rehabilitation

List of Appendixes

Table 14: Appendixes

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Appendix I: Objectives, Scope and Methodology

Section 21 of Public Law 111-139, enacted in February 2010, requires us to conduct routine investigations to identify federal programs, agencies, offices, and initiatives with duplicative goals and activities within departments and government-wide.¹ This provision also requires us to report annually to Congress on its findings, including the cost of such duplication, with recommendations for consolidation and elimination to reduce duplication and specific rescissions (legislation canceling previously enacted budget authority) that Congress may wish to consider. Our objectives in this report are to (1) identify potentially significant areas of fragmentation, overlap, and duplication and opportunities for cost savings and enhanced revenues that exist across the federal government; (2) assess to what extent executive branch agencies and Congress have addressed actions in our 2011 to 2017 annual reports; and (3) highlight examples of open actions directed to Congress or key executive branch agencies.

For the purposes of our analysis, we used the term “fragmentation” to refer to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and there may be opportunities to improve how the government delivers these services. We used the term “overlap” when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. We considered “duplication” to occur when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.²

This report presents 13 new areas of fragmentation, overlap, or duplication where greater efficiencies or effectiveness in providing government services may be achievable. The report also highlights 10 other new opportunities for potential cost savings or revenue enhancements.

To identify what actions, if any, exist to address fragmentation, overlap, and duplication and take advantage of opportunities for cost savings and enhanced revenues, we reviewed and updated our prior work and

¹Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified* at 31 U.S.C. § 712 note.

²We recognize that there could be instances where some degree of program fragmentation, overlap, or duplication may be warranted because of the nature or magnitude of the federal effort.

recommendations to identify what additional actions agencies may need to take and Congress may wish to consider. For example, we used a variety of our prior work identifying leading practices that could help agencies address challenges associated with interagency coordination and collaboration and with evaluating performance and results in achieving efficiencies.³

To identify the potential financial and other benefits that might result from actions addressing fragmentation, overlap, or duplication, or taking advantage of other opportunities for cost savings and enhanced revenues, we collected and analyzed data on costs and potential savings to the extent they were available. Estimating the benefits that could result from addressing unnecessary fragmentation, overlap, or duplication was not possible in some cases because information about the extent of duplication among certain programs was not available. Further, the financial benefits that can be achieved from addressing fragmentation, overlap, or duplication or taking advantage of other opportunities for cost savings and enhanced revenues were not always quantifiable in advance of congressional and executive branch decision making. Further, needed information was not readily available on, among other things, program performance, the level of funding devoted to overlapping programs, or the implementation costs and time frames that might be associated with program consolidations or terminations.

Appendix VI provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, and cost savings or revenue enhancement discussed in this report, including budgetary information when available.

We assessed the reliability of any computer-processed data that materially affected our findings, including cost savings and revenue enhancement estimates. The steps that we take to assess the reliability of data vary but are chosen to accomplish the auditing requirement that the data be sufficiently reliable given the purposes for which it is used in our

³GAO, Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms, [GAO-12-1022](#) (Washington, D.C.: Sept. 27, 2012) and Managing for Results: Practices for Effective Agency Strategic Reviews, [GAO-15-602](#) (Washington, D.C.: July 29, 2015). Information on GAO's work on the GPRA Modernization Act of 2010 (GPRAMA) can be found at http://www.gao.gov/key_issues/managing_for_results_in_government/issue_summary and information on GAO's work on best and leading practices in collaboration can be found at http://www.gao.gov/key_issues/leading_practices_collaboration/issue_summary.

products. Our analysts review published documentation about the data system and inspector general or other reviews of the data. We may interview agency or outside officials to better understand system controls and to assure ourselves that we understand how the data are produced and any limitations associated with the data. We may also electronically test the data to see whether values in the data conform to agency testimony and documentation regarding valid values, or we may compare data to source documents. In addition to these steps we often compare data with other sources as a way to corroborate our findings. For each submission in this report, specific information on data reliability is located in the related products.

We provided drafts of our new-area summaries to the relevant agencies for their review and incorporated these comments as appropriate.

Assessing the Status of Previously Identified Actions

To examine the extent to which Congress and executive branch agencies have made progress in implementing the 724 actions in the 278 areas we have reported on in previous annual reports on fragmentation, overlap, and duplication, we reviewed relevant legislation and agency documents such as budgets, policies, strategic and implementation plans, guidance, and other information between April 2017 and March 2018. We also analyzed, to the extent possible, whether or not financial or other benefits have been attained, and included this information as appropriate (see discussion below on the methodology we used to estimate financial benefits). In addition, we discussed the implementation status of the actions with officials at the relevant agencies. Throughout this report, we present our counts as of March 2018 because that is when we received our last updates. The progress statements and updates are published on our [Action Tracker](#).

We used the following criteria in assessing the status of actions:

- In assessing actions suggested for Congress, we applied the following criteria: “addressed” means relevant legislation is enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed

to not addressed if relevant legislation is not reintroduced from the prior congressional session.

- In assessing actions suggested for the executive branch, we applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

Since 2011, we have categorized 51 actions as “other” and are no longer assessing these actions. We categorized 34 “other” actions as “consolidated or other.” In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. We also categorized 17 of the “other” actions as “closed-not addressed.” Actions are generally “closed-not addressed” when the action is no longer relevant because of changing circumstances.

Methodology for Generating Total Cost Savings Estimates

In order to calculate the total financial benefits resulting from actions already taken and potential financial benefits from actions that are not fully addressed, our analysts compiled available estimates for all of the actions from our *Action Tracker*, from 2011 through 2017, and from reports identified for inclusion in the 2018 annual report, and linked supporting documentation to those estimates. Each estimate was reviewed by one of our technical specialists to ensure that estimates were based on reasonably sound methodologies. The savings estimates came from a variety of sources, including our analysis, Congressional Budget Office estimates, individual agencies, the Joint Committee on Taxation, and others. Because of differences in time frames, underlying assumptions, quality of data, and methodologies among these individual estimates, any attempt to generate a total will be associated with uncertainty that limits the precision of this calculation. As a result, our totals represent a rough estimate of financial benefits, rather than an exact total.

For actions that have already been taken, individual estimates of realized cost savings covered a range of time periods stretching from 2010 through 2025. In order to calculate the total amount of realized financial benefits that have already accrued and those that are expected to accrue, we separated those that accrued from 2010 through 2017 and those expected to accrue between 2018 and 2025. For individual estimates that

span both periods, we assumed that financial benefits were distributed evenly over the period of the estimate.⁴ For each category, we summed the individual estimates in order to generate a total. To account for uncertainty and imprecision resulting from the differences in individual estimates, we present these realized savings to the nearest billion dollars, rounded down.

There is a higher level of uncertainty for estimates of potential financial benefits taken because these estimates are dependent on whether, how, and when agencies and Congress take our recommended actions. As a result, many estimates of potential savings are notionally stated using terms like millions, tens of millions, or billions to demonstrate a magnitude without providing a more precise estimate.

Further, many of these estimates are not tied to specific time frames for the same reason. In order to calculate a total for potential savings, with a conservative approach, we used the minimum number associated with each term.⁵ To account for the increased uncertainty of potential estimates and the imprecision resulting from differences among individual estimates, we calculated potential financial benefits to the nearest \$10 billion, rounded down, and presented our results using a notional term.

This report is based upon work GAO previously conducted in accordance with generally accepted government auditing standards. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴For example, if an individual estimate was for \$10 billion dollars to accrue from 2014 to 2023, we assumed that \$1 billion would be earned each year. As a result, \$4 billion would be counted as “already accrued” through 2017, while the other \$6 billion would be counted as “expected to accrue” from 2018 and later.

⁵For example, if GAO had stated that an agency could potentially save “hundreds of millions,” we would use \$100 million as part of our calculation of the total.

Appendix II: New Areas in Which GAO Has Identified Fragmentation, Overlap, or Duplication

This appendix presents 13 new areas in which we found evidence of fragmentation, overlap, or duplication among federal government programs.

**Appendix II: New Areas in Which GAO Has
Identified Fragmentation, Overlap, or
Duplication**

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1. Imported Seafood Oversight

Improved coordination between the Food and Drug Administration and the Food Safety and Inspection Service on the oversight of imported seafood would help the agencies better manage fragmentation and more consistently protect consumers from unsafe drug residues.



Mission area:
Agriculture

Source: USDA and PhotoDisc. | GAO-18-371SP

Potential Benefit

More effective oversight

Implementing Entity

Food and Drug Administration and
Food Safety and Inspection Service

Link to Actions

GAO identified two actions for the agencies to take to improve oversight of imported seafood. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-443](#)

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Imported seafood now accounts for over 90 percent of the seafood consumed in the United States, with about half coming from fish farming. Farmed fish grown in confined areas can have high rates of bacterial infections. To increase survival rates, farmers may treat the fish with drugs, such as antibiotics and antifungal agents. The residues of some drugs can cause cancer or allergic reactions; therefore, effective federal oversight is important to help ensure that imported seafood is safe for U.S. consumers. The Food and Drug Administration (FDA) within the Department of Health and Human Services and the U.S. Department of Agriculture's Food Safety and Inspection Service (FSIS) are together responsible for ensuring the safety of imported seafood. Specifically, FSIS is responsible for ensuring the safety of catfish and FDA is responsible for all other seafood.

In September 2017, GAO found that FDA and FSIS had not fully coordinated on drug residue testing methods as called for in a 1984 memorandum of understanding between the agencies. For example, the agencies generally did not coordinate in developing drug residue testing methods and the corresponding residue levels for unapproved drugs that define unsafe drug residues in imported seafood. As a result, the agencies are not leveraging each other's knowledge and resources in this important area. Specifically, FDA developed its own testing method that looks for 26 drugs, while FSIS developed a testing method that looks for 61 drugs. In addition, there were a number of cases in which the agencies were using different drug residue levels for the same unapproved drugs to determine if seafood was unsafe. For example, for one antibiotic, FDA considers anything above its level to be unsafe, yet the level that FSIS considered unsafe in catfish was 20 times higher than FDA's level.

GAO recommended that FDA and FSIS coordinate in developing testing methods and corresponding residue levels for imported seafood. FDA agreed with this recommendation. FSIS partially agreed and stated that, while GAO's audit work may have found examples where officials were unaware of a specific activity conducted by another agency, the U.S. Agricultural Research Service (another Department of Agriculture agency), FSIS, and FDA regularly share information related to analytical methods for identifying and quantifying residues of drugs, pesticides, and environmental contaminants. Nevertheless, FSIS stated that it fully intended to implement the provisions of the memorandum of understanding with FDA on coordinating testing methods.

Implementation of this recommendation could better manage fragmentation by improving coordination and communication between

FDA and FSIS on their development of drug residue testing methods, and help the agencies have reasonable assurance that they are taking a consistent approach to ensuring consumer safety from unsafe drug residues.

Table 16 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to FDA and FSIS for review and comment. FDA said that it had no comments on this report section. FSIS provided minor technical comments, which GAO incorporated.

Related GAO Products

Imported Seafood Safety: FDA and USDA Could Strengthen Efforts to Prevent Unsafe Drug Residues. [GAO-17-443](#). Washington, D.C.: September 15, 2017.

2. Defense Distribution Centers

By minimizing unnecessary overlap and duplication and more efficiently using its U.S. distribution centers to store and process goods for troop support, such as clothing and weapon systems repair parts, the Department of Defense could potentially save approximately **\$527 million over 5 years**.



Source: Department of Defense/Helene C. Stikkel.
GAO-18-371SP

Potential Benefit

\$527 million over 5 years

Implementing Entity

Department of Defense

Link to Actions

GAO identified one action to minimize unnecessary overlap and duplication and more efficiently use DOD's U.S. distribution centers. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-449](#)

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The Department of Defense (DOD) manages a complex, multibillion-dollar system for delivering commodities and services to U.S. military forces worldwide. The Defense Logistics Agency (DLA) and the military departments independently operate a large network of distribution centers in the U.S. and overseas to store and process goods such as clothing, food, medicine, and repair parts for weapon systems. In 2011, DOD identified potentially overlapping and duplicative functions across these centers.

DOD program officials found that DLA and the military departments provided distribution services—including storage and processing—at 256 distribution centers in the United States that often are close to one another or on the same military installations. They also found that 91 of the distribution centers accounted for 95 percent of the total network's historical workload. Moreover, in 2016, DOD found instances where the military departments' maintenance depots used private storage for government-owned inventory when DLA distribution centers were nearby.

In June 2017, GAO found that, while DOD had taken steps to increase the use of DLA's U.S. distribution centers, the agency also has other opportunities to use its entire network of U.S. centers more efficiently. Specifically, DOD established a program to, among other things, decrease the number of U.S. distribution centers. However, in October 2014, DOD discontinued the program without implementing its plan to reduce the number of distribution centers. DLA officials acknowledged that unnecessary overlap and duplication continue to exist.

DOD officials told GAO the department needs Base Realignment and Closure authority to address any additional inefficiencies. Under Base Realignment and Closure authority, Congress authorizes an independent federal commission to review and determine whether to forward DOD's proposals to realign and close military installations to the President for approval. In each annual budget request since fiscal year 2013, the department has requested this authority. Congress has not approved it.

GAO found, however, that DOD has existing authorities it can use to minimize unnecessary overlap and duplication, and more efficiently use its network of distribution centers. For example, DOD could use its existing authorities to close or realign its installations and functions outside of a Base Realignment and Closure round. If doing so would exceed certain thresholds set out in 10 U.S.C. § 2687—based on the number of civilian personnel affected or potentially affected—DOD must notify Congress then wait 60 days before taking any irreversible actions.

In addition, DOD has the authority to demolish real property when a facility's condition has deteriorated. GAO found that DLA has used existing authorities to realign functions and demolish some facilities to gain efficiencies at its distribution centers. However, DOD had not assessed the extent to which the department could further use its existing authorities to minimize unnecessary overlap or duplication. Without an assessment of the use of DOD's existing authorities, inefficiencies in DOD's network of U.S. distribution centers may remain.

In June 2017, GAO recommended that DOD assess and direct the implementation of actions, as appropriate, that can be taken using existing authorities to close, realign, or dispose of existing infrastructure. This would allow DOD to use its network of U.S. distribution centers more efficiently. DOD concurred, and in July 2017, began reviewing its secondary item inventory warehousing to consolidate underused distribution centers.

By implementing the recommendation, DOD could operate its U.S. distribution centers more efficiently. DOD estimated in August 2017 that by consolidating some of these centers and reducing infrastructure, the department may realize a savings of approximately \$527 million over 5 years.

Table 17 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. In February 2018, DOD officials stated that the department continues its efforts to achieve efficiencies through consolidation of distribution centers. Specifically, officials stated that DOD will conduct three site studies by fiscal year 2019 to assess the viability and any potential savings from consolidation at these locations.

Related GAO Products

Supply Chain Management: DOD Could More Efficiently Use Its Distribution Centers. [GAO-17-449](#). Washington, D.C.: June 21, 2017.

3. GPS Modernization

To reduce the risk of unnecessary duplication, the Department of Defense should assign a single organization responsibility for ensuring that common solutions for Global Positioning System receiver card modernization efforts are collected and shared among hundreds of programs. Receiver card modernization for a small portion of weapon systems is estimated to cost \$2.5 billion through fiscal year 2021.



Source: Department of Defense/Helene C. Stikkel. GAO-18-371SP

Potential Benefit

Improved agency planning and coordination to prevent duplicative development efforts and support efficient use of resources

Implementing Entity

Department of Defense

Link to Actions

GAO identified one action to help the Department of Defense plan and coordinate receiver card development and procurement. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-74](#)

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Since 2000, the U.S. Air Force has led the multibillion dollar effort to modernize Global Positioning System (GPS) satellites and ground systems. This effort includes modernizing military receiver cards. These cards determine a user's position and time by calculating the distance from four or more satellites using the navigation signals on the satellites to determine the card's location. Specifically, the receiver cards will be modernized to utilize a stronger, encrypted, military-specific GPS signal called M-code. This signal is designed to meet military positioning, navigation, and timing needs, and to address threats such as GPS jamming. Developing the receiver card technologies to deliver the M-code capability is complex work, with the collective effort years behind initial estimates.

After the Air Force develops initial receiver cards, the breadth and complexity of this acquisition will multiply. Numerous offices across DOD responsible for upgrading hundreds of weapon systems will have to further develop and test cards that meet the unique needs of their respective systems. The military services, Missile Defense Agency, and Special Operations Command identified 716 types of weapon systems in their February 2017 receiver card implementation plans.

These systems will require almost a million M-code receiver cards. Complete funding estimates for equipping these systems with the new receiver cards have not been developed. However, initial funding estimates through fiscal year 2021 for a small portion of these weapon systems indicate a cost of more than \$2.5 billion to integrate and procure the new receiver cards. Given the cost and complexity of this effort, it will be critical for DOD to use sound, centralized planning and coordination to help programs identify opportunities for different weapon systems to use common receiver card solutions.

In December 2017, GAO found that DOD had not established a plan to help ensure that common design solutions for receiver cards can be readily identified and employed across the department. As a result, DOD risks duplicating efforts to fulfill its GPS modernization needs. It also risks paying to repeatedly find design solutions to common problems.

GAO recommended that as part of M-code receiver card acquisition planning, DOD assign an organization with responsibility for systematically collecting integration test data, lessons learned, and design solutions, and making them available to all programs expected to

integrate M-code receiver cards. DOD concurred with this recommendation.

The efficiencies that DOD would achieve from improved planning and coordination for the GPS modernization effort could yield cost savings by avoiding duplicative development efforts. However, GAO cannot estimate the value of any such savings since the extent of duplicative developments that would occur with or without improved planning and coordination cannot be measured with any certainty.

Table 18 in appendix VI lists federal programs or activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. An official speaking on behalf of the Air Force provided examples of actions DOD has taken or offices in place—primarily within the Air Force—that centralized management of GPS receiver requirements. Also, despite DOD originally concurring with the recommendation, the Air Force official stated that centralizing all test data is not practical nor was it necessary in acquiring previous generations of GPS receiver cards.

Relatedly, the official noted some programs may be reluctant to share data with others within the department. However, none of the examples the official provided demonstrate an attempt to prevent unnecessary duplication of effort across the department. GAO maintains that assigning a single organization to coordinate efforts across DOD is important to effectively manage duplication.

Related GAO Product

Global Positioning System: Better Planning and Coordination Needed to Improve Prospects for Fielding Modernized Capability. [GAO-18-74](#). Washington, D.C.: December 12, 2017.

4. Federal Use of Identity Theft Services

The Office of Management and Budget should explore options to address the risk that federal agencies may offer duplicative identity theft services in response to data breaches, potentially saving **millions of dollars annually** in unnecessary expenditures.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Millions of dollars annually

Implementing Entity

Office of Management and Budget

Link to Actions

GAO identified one action to prevent duplication in federal agencies' provision of identity theft services. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-254](#)

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The federal government has spent hundreds of millions of dollars to provide individuals affected by data breaches at federal agencies with credit monitoring and other identity theft services. In March 2017, GAO reported that in some cases federal agencies have offered duplicative services by providing some individuals with essentially the same identity theft services at the same time. For example, after two breaches at the Office of Personnel Management (OPM), the agency offered duplicative identity theft services, obligating \$248 million under two separate contracts in 2015, to the approximately 3.6 million people who were affected by both breaches.

Other federal agencies also face the potential for duplication. For example, in June 2015, the Department of Homeland Security offered 18 months of free identity theft services to approximately 48,000 individuals. Some of these individuals were federal employees who may also have been offered identity theft services by OPM.

The federal government does not have a policy or process in place to avoid offering duplicative identity theft services. While the Office of Management and Budget (OMB) provides agencies with guidance on the use of identity theft services, the guidance does not address whether and how agencies should consider the risk of duplication when deciding to purchase these services. Both Congress and the administration have cited the goal of reducing unnecessary duplication in the federal government. Without a government-wide policy or process to coordinate the use of identity theft services across the federal government, agencies may continue to offer duplicative services that may be wasteful or unnecessary.

GAO recommended in March 2017 that the Director of OMB explore options to address the risk of duplication in federal agencies' provision of identity theft services in response to data breaches, and take action if viable options are identified. For example, OMB might help coordinate the response across agencies or provide guidance intended to avoid duplication of services. Responding to this recommendation in oral comments, OMB cited practical challenges that it said would make addressing potential duplication in the provision of identity theft services very difficult. For example, logistical and privacy issues may be associated with maintaining a master database of individuals who receive identity theft services across federal agencies. GAO acknowledges these challenges but maintains that an exploration by OMB of viable options to mitigate the risk of duplicative coverage is warranted.

Implementation of this recommendation could help prevent agencies from offering individuals duplicative identity theft services, potentially saving millions of dollars annually, depending on future procurement of such services.

Table 19 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OMB for review and comment. OMB did not provide comments on this report section.

Related GAO Product

Identity Theft Services: Services Offer Some Benefits but Are Limited in Preventing Fraud. [GAO-17-254](#). Washington, D.C.: March 30, 2017.

5. Graduate Medical Education Funding

The Department of Health and Human Services should coordinate with federal agencies, including the Department of Veterans Affairs, to improve the effectiveness and oversight of fragmented federal funding for physician graduate medical education, which cost the federal government \$14.5 billion in 2015.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

More efficient and effective use and oversight of graduate medical education federal funding

Implementing Entity

Department of Health and Human Services

Link to Actions

GAO identified two actions to improve the information needed to comprehensively evaluate the federal government's investment in graduate medical education. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-240](#)

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The number, specialties, and geographic distribution of physicians in the United States depend in part on federal funding for graduate medical education (GME) training—commonly known as residency training. The federal government spent \$14.5 billion on GME training in 2015 (the most recent comprehensive data available). However, the funding is fragmented across federal programs managed by multiple agencies, but is largely through the Department of Health and Human Services (HHS). Funding sources include Medicare (71 percent), Medicaid (16 percent), the Department of Veterans Affairs (VA) (10 percent), and HHS's Children's Hospital GME (2 percent) and Teaching Health Center GME (1 percent) programs. Almost half of recipients—such as teaching hospitals and medical schools—received funds from more than one program.

Federal oversight of the programs is similarly fragmented. For example, multiple federal agencies are generally responsible for payment audits and performance evaluations of their respective GME funding programs. In addition, GAO and other experts have raised concerns about a lack of coordinated, comprehensive planning for federal health care workforce programs and a lack of accountability of GME funds.

In March 2018, GAO found that federal agencies are not collecting sufficient information to comprehensively evaluate the performance of GME programs. Information is not always complete, especially with respect to Medicaid GME spending, and not consistently collected within or across programs. Under leading practices GAO derived from the Government Performance and Results Act of 1993 (GPRA), the GPRA Modernization Act of 2010, and federal standards for internal controls, agencies should identify and collect complete and reliable information needed to evaluate the performance of federal programs. In addition, agencies should use the information they collect to monitor program performance and make improvements, or to make recommendations to Congress.

Without this information, HHS cannot comprehensively understand its investment in GME training. Further, HHS cannot identify gaps between programs' results and physician workforce needs, which limits HHS's ability to make informed changes or recommendations to Congress to improve the efficient and effective use of federal GME funds.

HHS, as the largest funder of GME training, has an important role in ensuring federal programs are meeting the nation's physician workforce needs. GAO recommended that HHS coordinate with federal agencies that fund the GME programs, including VA, to identify (1) information

needed to evaluate the performance of federal programs that fund GME, including the extent to which these programs are efficient and cost-effective and are meeting the nation's health care workforce needs; and (2) opportunities to improve the quality and consistency of the information collected within and across federal programs, and to implement these improvements. HHS concurred with GAO's recommendations and noted that the President's fiscal year 2019 budget proposed consolidating Medicare, Medicaid, and the Children's Hospital GME program into a single grant program. HHS officials said that, if the proposal is adopted by Congress, it would allow it to work toward addressing the recommendations. However, GAO noted that, in the absence of legislation, HHS still needs to improve the information collected.

These actions could help HHS collect better information that could be used to monitor the performance of federal programs that fund GME training. HHS would be better positioned to identify and address gaps between existing funding and physician workforce needs.

Table 20 in appendix VI lists federal programs or other activities related to this issue area, including budgetary information where available.

Agency Comments and GAO's Evaluation

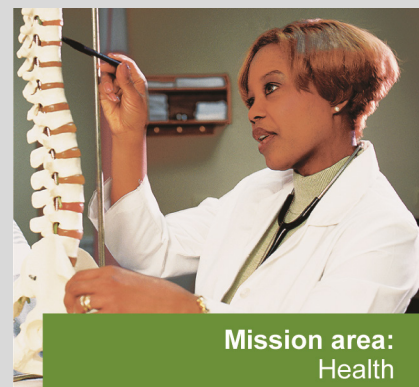
GAO provided a draft of this report section to HHS and VA for review and comment. VA provided technical comments, which GAO incorporated. HHS did not provide comments on this report section.

Related GAO Product

Physician Workforce: HHS Needs Better Information to Comprehensively Evaluate Graduate Medical Education Funding. [GAO-18-240](#). Washington, D.C.: March 9, 2018.

6. VA Human Capital Challenges

The Veterans Health Administration should strengthen its human resources internal control practices and its employee performance management processes to address fragmentation across the agency and improve its ability to serve veterans.



Mission area:
Health

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Improved health care for veterans

Implementing Entity

Department of Veterans Affairs

Link to Actions

GAO identified five actions to address VA human capital challenges. VA has implemented one by requiring annual HR staff competency assessments and the monitoring of those results. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-30](#)

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The Department of Veterans Affairs' (VA) Veterans Health Administration (VHA) provided care to about 6 million veterans in fiscal year 2016. The demand for its services is expected to grow in the coming years in part because of the growing needs of an aging veteran population. At the same time, VA faces serious and long-standing problems with veterans' access to care and management failures.

In December 2016, GAO found that VHA's limited human resources (HR) capacity combined with weak internal control practices has undermined VHA's HR operations and its ability to improve delivery of health care services to veterans. For example, VHA HR staff attrition has increased, affecting VA's ability to recruit and hire critical clinical staff. Further, VA and VHA leadership had not established clear lines of authority or effective coordination between fragmented central HR and medical center HR offices. As a result, leaders are unable to monitor HR improvement efforts, and ensure that HR offices consistently apply policies.

GAO also found that VHA's employee performance management system is inconsistent with leading HR practices and as a result, VHA may not be able to make meaningful distinctions in employee performance. Further, VHA is challenged by process inefficiencies, including the lack of a performance appraisal information technology (IT) system, which prevents it from identifying trends and potential improvements.

GAO made five recommendations to address these issues. Two are to improve the HR capacity at VA medical centers. VA has addressed the recommendation that HR staff complete a competency assessment; the other is to establish clear lines of accountability for, and monitoring of, HR improvement efforts. The other three focused on accelerating efforts to develop a modern, credible, and effective performance management system.

VA concurred with the recommendations to improve HR capacity. First, in March 2017, the Acting Under Secretary for Health issued a memorandum establishing lines of accountability for effective HR service delivery. The memorandum also established requirements for monitoring the status of HR competency assessments and addressing HR deficiencies in a timely manner. In August 2017, VA's HR office began providing quarterly reports to leadership on HR competency assessment completion rates. Then, in October 2017, VHA implemented a new process for assessing medical center HR offices and monitoring their progress in addressing deficiencies. GAO will continue to monitor VHA's efforts as it fully implements these new procedures.

VA partially concurred with the three recommendations on performance management, but has made limited progress in addressing them. In January 2018, officials stated that VA has begun a broad effort to modernize its approach to HR. They said this effort will address IT and employee development issues, among other priorities. Yet VA must ensure meaningful distinctions are being made in employee performance ratings by revising performance management policies consistent with leading practices and implementing a process to standardize performance management for common VHA positions. Further, VA still must develop a plan that for implementing a modern performance management IT system.

Until VA and VHA leadership fully address these recommendations, HR central offices will continue to face challenges in improving the delivery of HR services at its medical centers, which ultimately impacts veteran care. Further, a modern, credible, and effective performance management system will help create more transparent rating and reward systems and develop a culture of performance where employees have a line of sight between their efforts and VA's mission to serve veterans.

Table 21 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to VHA for review and comment. In its comments, VA stated that its performance management policy contains leading practices and supports meaningful distinctions in performance. However, GAO maintains that VA's policy is inconsistent with leading practices because it does not require standards to be defined for each level of performance. Without clearly defining and communicating these standards to employees, VA will not be positioned to make meaningful distinctions in employee performance.

Related GAO Product

Veterans Health Administration: Management Attention Is Needed to Address Systemic, Long-standing Human Capital Challenges.
[GAO-17-30](#). Washington, D.C.: December 23, 2016.

7. Coast Guard Boat Stations

The Coast Guard should close its boat stations that provide unnecessarily duplicative search and rescue coverage to improve operations and potentially save **millions of dollars**.



Mission area:
Homeland Security/Law
Enforcement

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Millions of dollars

Implementing Entity

Coast Guard

Link to Actions

GAO identified two actions for the Coast Guard to address unnecessary duplication by closing boat stations. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-9](#)

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The Coast Guard maintains more than 200 boat stations, air stations, and air facilities along U.S. coasts and inland waterways. It has various assets, such as boats and helicopters, to carry out its missions, including search and rescue. In recent years, the Coast Guard has had to balance its broad array of missions while operating under constrained budgets. This challenge underscores the importance for the Coast Guard to ensure its stations are needed and optimally located.

In 2013, a Coast Guard study of boat stations identified overlapping search and rescue coverage where three or more boat stations could arrive on scene at a single case within the Coast Guard's 2-hour standard for response. The Coast Guard considers some overlap or redundancy to be necessary to account for operational challenges, boat maintenance downtime, personnel training requirements, and the need for surge capacity. The scope of the study did not consider responses by helicopters from air stations or by local responders, which can provide additional search and rescue (SAR) coverage, or local responders who may also provide SAR response for their communities.

The 2013 study determined that the Coast Guard could close 18 unnecessarily duplicative boat stations without negatively affecting its ability to meet its response standard and other mission requirements (see table 22 in appendix VI). Coast Guard officials said the station closures would help improve operations. For example, the Coast Guard could consolidate boat station caseloads to help ensure personnel were active enough to maintain training requirements. In 2017, while the Coast Guard affirmed the 2013 study remained valid, it reported it had not closed any boat stations.

In October 2017, GAO found that instead of closing stations, the Coast Guard recommended converting some year-round boat stations to seasonal stations that would operate during the summer boating season. However, GAO found that the 2013 Coast Guard study included a sound process for analyzing whether stations should be closed, not seasonally operated. Further, local officials confirmed that some stations should be permanently closed. GAO also found that the Coast Guard had not closed stations because past efforts to close stations (eight attempts since 1973) were met with resistance from affected communities and instances where the Congress intervened.

GAO recommended the Coast Guard (1) establish a plan with target dates and milestones for closing boat stations that it determined provide overlapping SAR coverage, and are unnecessarily duplicative; and (2)

close the boat stations identified, according to its plan and target dates. While the Coast Guard, through the Department of Homeland Security, concurred with the recommendations, as of February 2018, it had not taken any actions to close unnecessary stations. GAO emphasized that the Coast Guard should move forward with minimal delay to implement this recommendation, given the robustness of the Coast Guard's review process and the clear results showing unnecessary duplication among some boat stations.

Closing unnecessarily duplicative stations may better position the Coast Guard to improve its operations. Doing so could also achieve millions of dollars in cost savings.

Table 23 in appendix VI lists federal programs or activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Coast Guard for review and comment. The Coast Guard provided technical comments, which were incorporated as appropriate.

Related GAO Product

Coast Guard: Actions Needed to Close Stations Identified as Overlapping and Unnecessarily Duplicative. [GAO-18-9](#). Washington, D.C.: October 26, 2017.

8. National Institute of Standards and Technology Security Program Management

By addressing fragmentation in their physical security management structure, the Department of Commerce and the National Institute of Standards and Technology could improve their physical security program.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Coordination of physical security program and activities

Implementing Entity

National Institute of Standards and Technology in the Department of Commerce

Link to Actions

GAO identified two actions to help address control weaknesses. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-95](#)

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The National Institute of Standards and Technology (NIST) is the United States' national physical laboratory, which among other matters is responsible for developing measurement standards. In 2017, NIST, located within the Department of Commerce (Commerce), employed approximately 3,500 federal personnel and hosted about 4,000 associates, who include guest researchers and facility users. NIST's two campuses in Gaithersburg, Maryland, and Boulder, Colorado, house laboratory programs that contain human, physical, and intellectual capital assets. Independent security assessments in 2015 found issues with NIST's security program.

In October 2017, GAO found that management of NIST's physical security program was fragmented between Commerce and NIST. Specifically, Commerce's Office of Security (OSY) is responsible for overseeing security personnel who implement physical security policies, while NIST manages physical security countermeasures such as access control technology. According to an OSY official, this fragmented approach has resulted in flaws in NIST's physical security program. For example, because OSY has no responsibility or authority regarding security technology, it cannot develop policies and procedures associated with the technology that OSY personnel use. Further, neither Commerce nor NIST has assessed whether the current structure is the most appropriate way to fulfill NIST's security requirements.

GAO reported that Commerce and NIST had overlapping physical security-related risk management activities, potentially leading to unnecessary duplication. While NIST developed a process to independently perform risk management steps in February 2017, Commerce concurrently took steps to improve its compliance department-wide with the Interagency Security Committee risk management process standard. All federal agencies, including Commerce, generally must comply with this standard. However, NIST and Commerce did not coordinate their efforts. As a result, NIST missed an opportunity to leverage progress Commerce made toward aligning risk management processes with the standard department-wide. Further, according to Commerce and NIST officials, as of October 2017, the two entities were separately drafting new risk management policies.

GAO recommended that Commerce's Director of OSY, in coordination with the NIST Director, take action to evaluate the effectiveness of the current security management structure as compared to a consolidated security structure, centrally managed by OSY, to identify the most effective and feasible approach to physical security at NIST. GAO also

recommended that the NIST Director finalize and implement risk management policies and procedures, ensuring that they contain a formal coordination mechanism between OSY and NIST and are aligned with Commerce's revised risk management policy.

Commerce concurred with the two recommendations on behalf of NIST and stated that it is committed to establishing an action plan to address them that will improve NIST's physical security program. Without ensuring that the NIST policy contains a formal mechanism to coordinate with OSY, future risk management activities may be limited in their usefulness and duplicative.

Table 24 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Commerce for review and comment. Commerce officials had no comments on this report section.

Related GAO Product

Physical Security: NIST and Commerce Need to Complete Efforts to Address Persistent Challenges. [GAO-18-95](#). Washington, D.C.: October 11, 2017.

9. Reviews of SSA Disability Appeals

The Social Security Administration should evaluate its quality assurance reviews of decisions on appealed disability claims, which cost at least \$11 million in fiscal year 2016, to reduce or better manage overlap between the types of reviews.



Mission area:
Income security

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Reduce overlap and provide for more efficient use of resources

Implementing Entity

Social Security Administration (SSA)

Link to Actions

GAO identified one action to help SSA address overlapping quality assurance reviews. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-37](#)

Contact Information

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The Social Security Administration (SSA) manages two disability benefit programs—Disability Insurance and Supplemental Security Income—that together provide about 16 million Americans with about \$200 billion in benefits annually. A claimant who is dissatisfied with the initial decision on his or her application can ultimately appeal at a hearing. Here, an administrative law judge reviews the case and any new evidence submitted by the claimant. GAO placed Disability Insurance and Supplemental Security Income, along with other disability programs, on its High-Risk List in 2003 because of their large workloads and the need to modernize the programs.

In fiscal year 2016, administrative law judges issued more than 637,000 decisions on appealed disability claims for Disability Insurance and Supplemental Security Income. SSA spent at least \$11 million in fiscal year 2016 on various types of quality reviews to monitor the accuracy and consistency of these decisions for both programs. However, in December 2017, GAO found that some of these reviews may overlap and SSA has not systematically evaluated them. Specifically, SSA conducts five types of quality assurance reviews of hearings decisions, several of which have similar goals and could potentially include the same claims. SSA has not evaluated the efficiency or effectiveness of these reviews. Moreover, the agency has struggled to sustain all of its quality review efforts because of competing priorities—two of the five types of reviews were curtailed in 2016 because SSA reassigned staff to help expedite claims decisions.

Prior GAO work has found that enhanced coordination can help reduce overlap and improve efficiency. SSA officials acknowledged that opportunities exist to improve coordination across components conducting quality assurance reviews. In 2017, the agency took steps to improve coordination by consolidating the entities responsible for most hearings-level quality assurance reviews into one office. While this reorganization creates the opportunity for SSA to assess many of its quality assurance reviews, it is too early to tell how it will help manage the overlap between SSA's various quality assurance reviews.

GAO recommended in its 2017 report that SSA systematically evaluate its quality assurance reviews and take steps to reduce or better manage any unnecessary overlap among them. SSA concurred with this recommendation. By evaluating which quality assurance reviews are most effective in improving accuracy and consistency, SSA would be better positioned to meet its goals within its resources.

Table 25 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SSA for review and comment. SSA stated that it recognizes some overlap of the hearings-level quality reviews. SSA noted that since it created a new office to consolidate most of the entities responsible for hearings-level quality reviews, staff in the new office are working together to identify areas where hearings-level quality reviews can be combined to ensure the most effective use of resources. In addition, the agency is exploring training and other opportunities to facilitate consolidation of their efforts. SSA also provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Social Security Disability: Additional Measures and Evaluation Needed to Enhance Accuracy and Consistency of Hearings Decisions. [GAO-18-37](#). Washington, D.C.: December 7, 2017.

10. Supplemental Security Income

To better manage fragmentation in service delivery, the Social Security Administration should explore options for better connecting transition-age youth receiving Supplemental Security Income to vocational rehabilitation services.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Reduced dependency on SSI benefits due to improved employment outcomes

Implementing Entity

Social Security Administration

Link to Actions

GAO identified two actions to reduce fragmentation between SSA's SSI program and Education's VR State Grant program affecting transition-age youth. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-485](#)

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The Supplemental Security Income (SSI) program provides cash benefits to low-income individuals, including children and youth, who meet financial eligibility requirements and who are blind or have disabilities. In December 2017, the Social Security Administration (SSA) paid SSI benefits to nearly 1.2 million individuals under age 18. The number of individuals with disabilities under age 18 receiving SSI benefits increased by about 40 percent from December 2000 to December 2017. Transition-age youth (those ages 14 to 17) who receive SSI benefits face numerous challenges to achieving self-sufficiency as they move into adulthood. These youth transition from receiving most of their services as entitlements through their schools to one in which services can be more difficult to access.

In May 2017, GAO reported that SSA does not have a systematic way to connect transition-age youth on SSI to state vocational rehabilitation (VR) services provided by state agencies. These agencies provide VR services to individuals with disabilities as part of the Department of Education's (Education) VR State Grants program. While VR agencies may provide employment services to transition-age youth with disabilities, the percentage of such youth receiving VR services in 2015 was small in the five states GAO reviewed—specifically, less than 1 percent in four states and approximately 3 percent in the fifth state.

SSA's Ticket to Work and Self-Sufficiency (Ticket to Work) program assists adult SSI recipients in gaining access to VR or other employment services. However, SSA limited eligibility to SSI recipients age 18 and older. SSA has interpreted the Ticket to Work and Work Incentives Improvement Act of 1999 as rescinding its legal authority to refer individuals, including transition-age youth, to VR agencies for services.

Most of the transition-age youth on SSI who are connected to VR agencies received transition services under their individualized education program (IEP). The IEP is the plan schools are required to establish for students with qualifying disabilities under the Individuals with Disabilities Education Act, which is administered by Education. Neither schools nor SSA collect or analyze data that would allow them to determine the extent to which youth on SSI have IEPs that would help them connect to VR services.

GAO recommended that SSA (1) work with Education to determine the extent to which youth on SSI are not receiving transition services through schools that can connect them to VR agencies and services, and (2)

explore various options for increasing connections to VR agencies and services, including potential costs and benefits, such as expanding the Ticket to Work program to include youth, who are currently excluded.

SSA partially agreed with the first recommendation, noting that the agency is already working with federal partners on a demonstration to improve outcomes for SSI youth (a project called Promoting Readiness of Minors in SSI, or PROMISE) and already has a blueprint for further collaboration through the Federal Partners in Transition working group. However, SSA said that sharing the data necessary to identify students receiving SSI who are not receiving transition services in schools may raise privacy concerns. Nevertheless, SSA has overcome privacy concerns and found work-arounds to share similar data in the past. GAO believes that SSA's current efforts and plans are insufficient to measure the extent of the problem. Further, SSA could explore steps to mitigate barriers to information sharing. SSA agreed with the second recommendation.

Implementing these recommendations could improve the management of fragmented services by enhancing coordination between SSA and Education, and increasing the number of transition-age youth on SSI receiving relevant VR services. Further, connecting transition-age youth to VR services could, in turn, reduce SSI expenditures if these services increase recipients' earnings and self-sufficiency.

Table 26 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SSA for review and comment. SSA officials stated that SSA has taken initial actions to address GAO's second recommendation, including publishing a Request for Information in the *Federal Register* specifically asking about a Ticket-style program for youth and potential ways youth can connect with VR. GAO believes these are good first steps and will continue to monitor the implementation of these recommendations.

Related GAO Product

Supplemental Security Income: SSA Could Strengthen Its Efforts to Encourage Employment for Transition-Age Youth. [GAO-17-485](#). Washington, D.C.: May 17, 2017.

11. Combating Wildlife Trafficking

Federal agencies that combat wildlife trafficking should clarify roles and responsibilities in Southeast Asia to better manage fragmentation and have more reasonable assurance that they can effectively marshal the contributions of all agencies.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Increased collaboration leading to more effective and efficient efforts in addressing wildlife trafficking in Southeast Asia

Implementing Entity

Department of the Interior, Department of State, and U.S. Agency for International Development

Link to Actions

GAO identified three actions to clarify staff roles and responsibilities to combat wildlife trafficking efforts.

USAID implemented one by improving collaboration and coordination efforts. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-7](#)

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Wildlife trafficking, an illegal trade worth at least an estimated \$7 billion annually, continues to push some protected and endangered animal species to the brink of extinction. The Presidential Task Force on Wildlife Trafficking was established in 2013 to combat this problem. The task force includes the U.S. Agency for International Development (USAID), Department of the Interior (DOI), and Department of State (State) as well as other federal agencies that have staff at home and overseas working to address the issue. In 2014, the White House released the task force's Strategy for Combating Wildlife Trafficking. In February 2015, the task force released the National Strategy for Combating Wildlife Trafficking Implementation Plan (Implementation Plan), which identifies specific objectives and steps supported by programs overseen by task force agencies.

Wildlife at the Beijing, China, Rescue and Rehabilitation Center



Source: GAO. | GAO-18-371SP

In October 2017, GAO found that although the task force's Implementation Plan designates various task force agencies to lead or participate in strategic priorities, it does not define specific roles and responsibilities at the working level. GAO has previously reported that agencies should consider whether they have clarified the roles and responsibilities of participants in collaborative efforts and whether they have agreed to a process for making and enforcing decisions.

According to some officials, there were disagreements on roles and responsibilities surrounding training activities. Officials from some agencies—including the U.S. Fish and Wildlife Service, and the Homeland Security Investigations arm of the Department of Homeland Security—believed they should be consulted and involved to a greater

degree. More clearly defining roles and responsibilities would enhance agency collaboration to better address wildlife trafficking issues.

GAO made three recommendations—one each to USAID, DOI, and State—to clarify roles and responsibilities for staff collaborating on combating wildlife trafficking efforts in Southeast Asia. The agencies agreed with GAO’s recommendations. By ensuring that all relevant task force member agencies have agreed on and clearly defined roles and responsibilities, agencies will have more reasonable assurance that they can take full advantage of their expertise and resources in combating wildlife trafficking.

After the report was published in October 2017, USAID implemented GAO’s recommendation by conducting a 3-day training course on combating wildlife trafficking for its mission staff that included two 180-minute modules on working with agency partners and their respective roles and responsibilities. USAID also restarted its wildlife working group at the U.S. Embassy in Bangkok, which is tasked with identifying opportunities for coordination and collaboration between multiple agencies.

Table 27 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO’s Evaluation

GAO provided a draft of this report section to DOI, State, and USAID for review and comment. USAID provided information that indicated full implementation of GAO’s recommendation, which is reflected above.

DOI officials said that they are working closely with USAID, State, and other task force agencies to strengthen coordination and collaboration in the global effort to combat wildlife trafficking. In addition, DOI indicated that it will work with its fellow task force agencies to take additional steps to improve and formalize coordination activities in Southeast Asia. This includes agreeing on roles and responsibilities to facilitate better decision making, while ensuring resources are well placed. While DOI has made some progress, it could still take additional steps to fully address GAO’s recommendation, such as conducting training on or documenting roles and responsibilities. State officials said that they had no comments on this report section.

Related GAO Product

Combating Wildlife Trafficking: Agencies Are Taking Action to Reduce Demand but Could Improve Collaboration in Southeast Asia. [GAO-18-7](#). Washington, D.C.: October 12, 2017.

12. High-Containment Laboratories

The Federal Select Agent Program needs to better coordinate workforce planning across its two agencies to help address fragmentation in oversight of high-containment laboratories.



Mission area:
Science and the environment

Source: Brand X Pictures. | GAO-18-371SP

Potential Benefit

Improved oversight of high-containment laboratories.

Implementing Entity

Centers for Disease Control and Prevention and Animal and Plant Health Inspection Service

Link to Actions

GAO identified two actions to help CDC and APHIS improve coordination of their workforce planning. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-145](#)

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Safety lapses have occurred at laboratories in the United States that handle hazardous pathogens and toxins (known as select agents) that may pose a serious threat to humans, animals, or plants. For example, in November 2016, the Department of Homeland Security discovered that a private laboratory had inadvertently sent a toxic form of ricin (a potentially lethal poison) to one of its training centers multiple times since 2011, potentially putting training participants at risk.

These safety lapses raise concerns about the effectiveness of the Federal Select Agent Program, which oversees high-containment laboratories (including those at federal agencies and private institutions) located in the United States that conduct research on select agents. The program is administered by two agencies, the Centers for Disease Control and Prevention (CDC) in the Department of Health and Human Services and the Animal and Plant Health Inspection Service (APHIS) in the Department of Agriculture. These agencies share oversight responsibility.

In October 2017, GAO reported that oversight of the Federal Select Agent Program is fragmented, as the program did not have a joint workforce plan that collectively identifies workforce and training needs to ensure the program has sufficient expertise to carry out its responsibilities. The program also lacked a plan to ensure that resources are being leveraged appropriately across CDC and APHIS. According to GAO's past work, strategic workforce planning is an essential tool to help agencies align their workforces with their current and emerging missions and develop long-term strategies for acquiring, developing, and retaining staff.

CDC and APHIS have faced challenges in hiring and retaining sufficient staff with the requisite expertise to perform laboratory inspections and other necessary work in a timely manner. Moreover, program officials from CDC and APHIS identified gaps in the training available to maintain their expertise. For example, CDC inspectors told GAO they need additional training opportunities to keep up with scientific changes in the field. APHIS officials also identified areas where they need additional training and stated that APHIS's specific training needs have not always been explicitly addressed when CDC has taken the lead on training.

Senior program officials told GAO they manage this fragmentation by collaborating on many aspects of the program, such as communicating frequently at the director level and taking steps to coordinate some training. They also said that they had not developed a joint workforce plan because each component of the program has generally focused on its own agency's needs when conducting workforce planning.

To improve technical expertise and overcome fragmentation, GAO recommended that the CDC and APHIS directors of the Federal Select Agent Program should work together to develop a joint workforce plan that assesses workforce and training needs for the program as a whole. CDC and APHIS agreed with the recommendations and stated in February 2018 that the Federal Select Agent Program was in the process of determining whether a joint workforce plan is feasible, given the different missions of the agencies.

Developing a joint workforce plan as recommended would help the program to better manage fragmentation by improving how it leverages resources, which in turn would help to ensure that all workforce and training needs are met.

Table 28 in appendix VI lists federal programs or activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

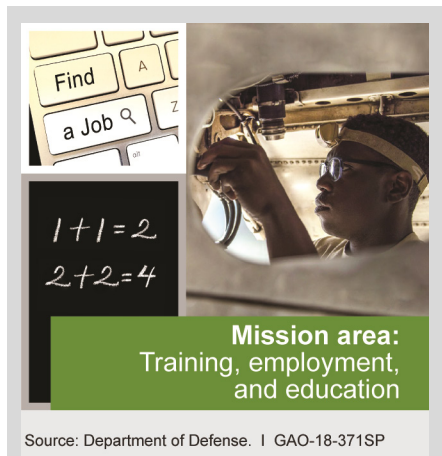
GAO provided a draft of this report section to the Departments of Health and Human Services and Agriculture for review and comment. The departments said they had no comments on this report section.

Related GAO Product

High-Containment Laboratories: Coordinated Actions Needed to Enhance the Select Agent Program's Oversight of Hazardous Pathogens. [GAO-18-145](#). Washington, D.C.: October 19, 2017.

13. STEM Education Programs

Meeting requirements to assess the 163 federal science, technology, engineering, and mathematics education programs could create opportunities to better manage fragmentation and overlap and enhance the effectiveness of the portfolio.



Potential Benefit

Enhanced effectiveness of the federal STEM education portfolio

Implementing Entity

The Committee on STEM Education and the Office of Science and Technology Policy

Link to Actions

GAO identified three actions for the Committee on STEM Education and one for the Office of Science and Technology Policy. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-290](#)

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Science, technology, engineering, and mathematics (STEM) education programs can serve an important role by preparing students for careers in STEM fields and enhancing the nation's global competitiveness. As part of this effort, many federal agencies administer STEM education programs. The America COMPETES Reauthorization Act of 2010 (COMPETES 2010) (Public Law 111-358) addresses coordination and oversight issues by requiring the establishment of an interagency committee (Committee on STEM Education) to inventory, review, and coordinate federal STEM education programs, among other things. This committee falls under the auspices of the Office of Science and Technology Policy, which advises the president on the effects of science and technology on domestic and international affairs.

In March 2018, GAO found that federal STEM education efforts are fragmented across 163 programs and 13 different agencies that spent \$2.9 billion dollars in fiscal year 2016. Nearly all of these programs overlapped with at least one other program. For example, the Department of Health and Human Services' Cancer Education Grants program and the National Aeronautics and Space Administration's National Space Grant College and Fellowship Project both aim to provide training for undergraduate or graduate students in biological sciences, among other fields. However, overlapping programs may differ in meaningful ways, such as the specific population served or a program's stated goal.

The Committee on STEM Education has not fully met its responsibilities to review agencies' performance assessments of their STEM education programs, and to document these assessments in the federal STEM education inventory. These tasks are required by the committee's authorizing charter and COMPETES 2010. Further, the Office of Science and Technology Policy has not reported, as required, on the outcomes of recent program assessments in its annual report. Documenting and reporting on the outcomes of such assessments could give program officials and policymakers useful information to manage any unnecessary overlap among these programs, and enhance program effectiveness.

Additionally, the committee has not reported federal STEM education programs' participation rates of groups historically underrepresented in STEM fields. However, broadening the participation of such groups is one of the committee's strategic goals. Moreover, COMPETES 2010 requires the committee to report the participation rates of women, underrepresented minorities, and persons in rural areas.

GAO made four recommendations in its March 2018 report. GAO recommended that the leadership of the Committee on STEM Education review and document performance assessments of STEM education programs, as well as report programs' participation rates of underrepresented groups. GAO also recommended that the Director of the Office of Science and Technology Policy report on the outcomes of recently completed programs' performance assessments in its annual report. The Committee and the Office of Science and Technology Policy agreed with these recommendations.

Given the fragmentation and overlap among STEM education programs, such information could improve agencies' ability to make well-informed decisions about the design of their programs and further enhance program effectiveness. Additionally, information on the participation of those historically underrepresented in STEM fields would help clarify whether the federal investment in STEM education is ultimately supporting its strategic goal of broadening participation to these populations.

Table 29 in appendix VI lists federal programs or other activities related to this area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Office of Science and Technology Policy and the Committee on STEM Education for review and comment. Officials provided technical comments, which GAO incorporated where appropriate.

Related GAO Product

Science, Technology, Engineering, And Mathematics Education: Actions Needed to Better Assess the Federal Investment. [GAO-18-290](#).
Washington, D.C.: March 23, 2018.

Appendix III: New Areas in Which GAO Has Identified Other Cost Savings or Revenue Enhancement Opportunities

This appendix summarizes 10 new areas for Congress or executive branch agencies to consider taking action that could either reduce the cost of government operations or enhance revenue collections for the Treasury.

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14. Foreign Currency Fluctuation

The Department of Defense needs to more efficiently and effectively manage foreign currency funds to potentially save **millions of dollars**.



Source: Department of Defense/Helene C. Stikkel.
GAO-18-371SP

Potential Benefit

Millions of dollars

Implementing Entity

Department of Defense

Link to Actions

GAO identified two actions to help identify cost savings opportunities. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-221](#)

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The Department of Defense (DOD) requested about \$60 billion for fiscal years 2009 through 2017 to buy goods and services overseas, and pay service members stationed abroad. DOD uses foreign currency exchange rates to budget and pay (i.e., disburse funds) for these expenses. The amounts available for overseas expenditures are affected by differences between the foreign currency rates selected during the budget formulation process and the market rates applied when the payments are disbursed.

In March 2018, GAO found that DOD has taken some steps to reduce costs in selecting foreign currency rates applied to overseas expenditures, but could do more to increase savings. DOD disburses foreign currency through a Department of the Treasury system, which offers DOD components a choice of rates that are available 5, 4, or 3 days before or on the day of the disbursement. The cost of exchange rates generally increases the farther from the date of disbursement the rate is set. For example, in 2018, according to Army officials, the Army transitioned to the use of a 3-day instead of the more costly 5-day rate, estimating potential savings of up to \$10 million annually.

However, DOD components have not fully reviewed the rates applied to overseas expenditures or determined whether other opportunities for savings might exist. GAO estimates that DOD could save millions of dollars annually if the services consistently selected the most cost-effective rates. Analyzing data for June and July 2017, GAO found that the Air Force would have saved about \$258,000 if it had made its foreign currency disbursements using the 3-day versus the 5-day rate. Assuming that the strength of the U.S. dollar remained relatively stable relative to other currencies over the course of the year, GAO estimates the Air Force would have saved about \$1.5 million a year by using the 3-day rate.

GAO also found that DOD has not identified the appropriate balance needed in its Foreign Currency Fluctuation Defense account. The account is used to maintain the buying power of DOD's Military Personnel and Operation and Maintenance appropriations by covering losses due to fluctuations in the value of the dollar when converting to foreign currencies.

Since fiscal year 2012, DOD has maintained the account's balance at the statutory limit of \$970 million without routinely analyzing projected losses and replenishing the account based on those projections. By maintaining the balance in the account at the statutory limit regardless of projected needs, DOD may not be making efficient use of the funds, since they could potentially be applied to support other defense activities or be returned to the Treasury after cancellation.

GAO recommended that DOD (1) review the foreign currency rates used at disbursement to determine whether cost-savings opportunities exist by more consistently selecting cost-effective rates and (2) analyze realized and projected losses to determine the necessary size of the Foreign Currency Fluctuation Defense account balance and use the results of this analysis as the basis for replenishing the account.

DOD concurred with the first recommendation and outlined a plan to address it. DOD partially concurred with the second recommendation, stating that projecting foreign currency gains or losses can be difficult, and may introduce uncertainty and risk. However, GAO found that DOD already conducts similar analyses to inform decisions on using the Foreign Currency Fluctuation Defense account to cover losses. Further, GAO's work found that flexibilities available to DOD to replenish the account can help it address uncertainty and reduce risk. An analysis to determine the necessary size of the Foreign Currency Fluctuation Defense account could allow DOD to use funds more efficiently.

Table 30 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO concurrently provided drafts of this report section and the underlying report on which it is based to DOD for comment. DOD's response to GAO's recommendations was incorporated above. DOD also noted that using one disbursement rate over another does not guarantee cost savings due to foreign currency fluctuations, and that historical performance of a particular rate does not indicate a future benefit. However, GAO found that rates are generally more expensive the farther from the date of disbursement.

Related GAO Product

Defense Budget: Actions Needed to Improve the Management of Foreign Currency Funds. [GAO-18-221](#). Washington, D.C.: April 3, 2018.

15. Supply Operations at Military Depots

The Department of Defense could improve the efficiency and effectiveness of supply operations at Army and Marine Corps depots and Navy shipyards and save **tens of millions of dollars**.



Source: Department of Defense/Helene C. Stikkel. GAO-18-371SP

Potential Benefit

Tens of millions of dollars

Implementing Entity

Department of Defense

Link to Actions

GAO identified two actions to improve the efficiency and effectiveness of supply and depot operations. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-16-450](#)

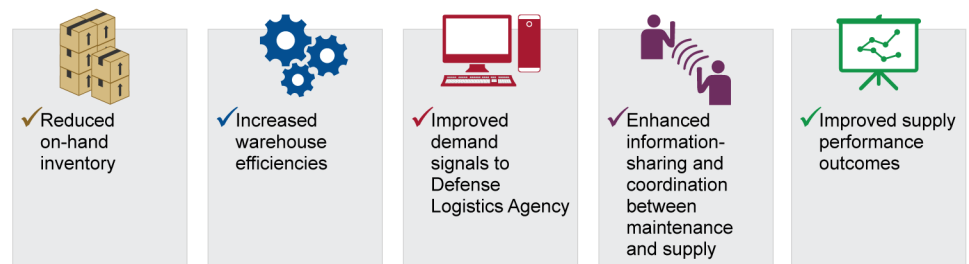
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The Defense Logistics Agency (DLA) manages about \$18 billion of spare parts to support the repair and overhaul of combat vehicles, planes, helicopters, and ships at military depots and shipyards. To enhance efficiency and effectiveness, the military services were to transfer all of their retail inventory supply, storage, and distribution functions at most depot-level industrial sites to DLA. This change was a result of the 2005 base realignment and closure round and a June 2005 Department of Defense (DOD) decision.

In June 2016, GAO reported that the military services have, to varying degrees, transferred these functions at depots and shipyards to DLA. For example, the Air Force and Navy aviation depots transferred all retail functions to DLA. According to DOD officials and GAO's assessment, the transfers led to a number of benefits (see figure for examples), including a 19 and 4 percent reduction of on-hand inventory at the Air Force and Navy depots, respectively, for a total reduction of about \$715 million.

Benefits from the Defense Logistics Agency Handling Retail Supply, Storage, and Distribution Functions at Air Force and Navy Aviation Depots



Source: GAO analysis of Defense Logistics Agency documents and discussions with Air Force and Navy personnel. | GAO-18-371SP

In contrast, the Army and Marine Corps have retained most supply functions at their depots. Further, DLA manages inventory at the Navy shipyards while still using Navy systems and processes, rather than those of DLA that may result in more supply efficiencies. DOD could conduct business case analyses to determine if further transfer of retail functions is warranted given the successful transfer of functions at the Air Force and Navy aviation depots and DLA's increasing retail inventory expertise.

GAO recommended that DOD should (1) assess through a comprehensive business case analysis the cost and benefits of DLA managing the retail functions at Army and Marine Corps depots and Navy shipyards, and (2) use the analysis to make a decision on the degree to which DLA should manage these functions. DOD concurred.

DOD has taken actions to address the first recommendation; however, it has not completed the business case analyses. First, in November 2017, DOD designated the transfer of these retail functions as an operating priority and established a plan with milestones through 2019. Second, the Marine Corps is conducting a series of business case analyses on its inventory management, which is due to be finalized in September 2018. DLA and the Army have begun planning a proof-of-concept regarding the transfer of retail functions at Anniston Army Depot with a final decision on implementation in June 2019. According to a senior DOD official, DLA and the Navy are working on a strategic memorandum of understanding to guide discussions on the role of DLA at the Navy shipyards.

Without the business case analyses, decision makers will not be positioned to make cost-effective decisions. In April 2015, DLA projected it could reduce on-hand inventory by about \$155 million based on the assumption of a 3.5 percent on-hand inventory reduction due to the transfer of retail functions at the Army and Marine Corps depots and Navy shipyards. The transfer also entails potential costs such as the implementation of information technology systems. DOD could potentially achieve cost-savings while also improving supply performance to depots.

Table 31 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. DOD provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Defense Inventory: Further Analysis and Enhanced Metrics Could Improve Service Supply and Depot Operations. [GAO-16-450](#). Washington, D.C.: June 9, 2016.

16. Fiscal Management of the Universal Service Fund

By addressing weaknesses in the management and oversight of the Universal Service Fund, the Federal Communications Commission could eliminate at least **\$1 million annually in fees** paid to a private bank to manage investments.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

At least \$1 million annually

Implementing Entity

Federal Communications Commission

Link to Actions

GAO identified two actions to help address control weaknesses. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-538](#)

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Over the past two decades, telecommunications carriers and their customers have paid more than \$100 billion to support the Universal Service Fund (USF). The Federal Communications Commission (FCC) uses USF to carry out the federal policy of universal service. Universal service is the principle that all Americans should have access to communications services. By statute, every telecommunications carrier providing interstate services must contribute to federal universal service unless exempted by FCC. Although not required to do so, carriers typically pass on the cost of USF fees as a separate line item to their customers' phone bills. As of September 2017, USF's net assets exceeded \$7 billion.

In May 2017, GAO found several weaknesses in FCC's management and oversight of USF. For example, FCC maintains USF funds outside of the U.S. Treasury in a private bank account. In February 2005, GAO reported that FCC should reconsider this arrangement given that USF consists of federal funds. Until FCC moves the USF funds, the funds may not have the same rigorous management practices and regulatory safeguards as funds for other federal programs.

GAO also found in May 2017 that FCC had not provided guidance on whether various revenues that carriers derive from new technologies, such as text messaging revenues, require USF fees (also known as USF contributions). Without guidance on what technology revenues require these USF contributions, some carriers collect more USF fees from customers and pay more into the fund than other carriers for the same service, though USF fees are required by law to be paid on an equitable and nondiscriminatory basis.

GAO recommended in May 2017 that the Chairman of FCC take action to ensure that preliminary plans to transfer USF funds from the private bank to the U.S. Treasury are finalized and implemented as quickly as possible. FCC agreed with this recommendation and implemented a formalized plan to move the USF funds to the U.S. Treasury by April 2018.

GAO also recommended that the Chairman of FCC take action to address requests for guidance concerning USF contribution requirements to ensure that USF fees are equitable. FCC agreed with this recommendation. In August 2017 the Chairman of FCC sent letters to members of Congress that reiterated FCC's commitment to resolving this

issue. GAO will continue to monitor FCC's actions to ensure that this guidance is made available.

Moving the USF funds from a private bank to the U.S. Treasury could eliminate at least \$1 million in annual fees paid to a private bank to manage investments. Regarding the USF contribution guidance, if FCC determines that some technology revenues, such as text messaging revenues, require USF fees, FCC could additionally increase collections for universal service programs by millions of dollars per year. Or conversely, if FCC determines these revenues are not subject to fees, USF contribution requirements typically passed through to customers could be reduced.

Table 32 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to FCC for review and comment. FCC officials had no comments on this report section.

Related GAO Product

Telecommunications: Additional Action Needed to Address Significant Risks in FCC's Lifeline Program. [GAO-17-538](#). Washington, D.C.: May 30, 2017.

17. DOE's Treatment of Hanford's Low-Activity Waste

The Department of Energy may be able to reduce certain risks and save **tens of billions of dollars** by adopting alternative approaches to treat a portion of its low-activity radioactive waste.



Mission area:
Energy

Source: ©Corbis. | GAO-18-371SP

Potential Benefit

Tens of billions of dollars

Implementing Entity

Department of Energy

Link to Actions

GAO identified one matter for Congress and two actions to evaluate alternate waste treatment options. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-306](#)

Contact Information

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The Department of Energy (DOE) oversees the treatment and disposal of nearly 90 million gallons of radioactive waste from nuclear weapons production. Most of this waste is stored in tanks at DOE's Hanford Site in Washington and the Savannah River Site in South Carolina. The less radioactive tank waste, called low-activity waste (LAW), makes up over 90 percent of the waste's volume, but less than 10 percent of the total radioactivity. DOE has treated about 4 million gallons of the Savannah River Site's LAW with grout. Grout immobilizes waste in a concrete-like mixture.

In contrast, DOE has yet to treat any of Hanford's tank waste. DOE is planning to treat one-third to one-half of Hanford's LAW with vitrification, which immobilizes the waste in glass. However, DOE has not determined how it will treat the remaining portion, known as supplemental LAW. According to a senior DOE official, if DOE must vitrify Hanford's supplemental LAW, completing treatment will take until at least 2061.

Much of the tank waste at the Hanford and Savannah River sites is managed as high-level (highly radioactive) mixed waste—waste with a hazardous chemical and a radioactive component—even though most of the waste at both sites is of comparatively low radioactivity. Under federal law, high-level mixed waste must be vitrified. Congress passed legislation in 2004 that specified procedures under which DOE can determine that certain tank waste, including the tank waste at the Savannah River Site, is not high-level waste, meaning that DOE could use methods other than vitrification. However, the legislation does not apply to Hanford.

In May 2016, experts told GAO that both vitrification and grout could effectively treat Hanford's LAW. Experts stated that scientific advances in grout since DOE's 1994 decision to vitrify Hanford's LAW have shown that grout performs as well, or nearly as well, as vitrification. Some also noted that using grout for supplemental LAW could help DOE complete its treatment mission sooner, reducing the risk of leaving waste in tanks.

In May 2017, GAO found that the best available information indicates that DOE's estimated costs to grout LAW at the Savannah River Site are substantially lower than its estimated costs to vitrify LAW at Hanford. Specifically, GAO found that DOE estimates that it will cost about \$5.5 billion to construct treatment facilities and treat the 36 million gallons of the Savannah River Site's LAW with grout. Conversely, DOE documents and interviews with DOE officials indicate that it will cost about \$53 billion to construct vitrification facilities and treat the Hanford Site's 49 million gallons of LAW and supplemental LAW with vitrification. Table 33 in

appendix VI compares best available cost information for treating LAW at the Savannah River and Hanford Sites.

GAO suggested that Congress consider granting DOE authority to manage certain portions of Hanford's tank waste as a waste type other than high-level waste. GAO also made two recommendations to DOE to develop updated information on the effectiveness and life-cycle costs of treating supplemental LAW with alternate methods. DOE agreed with both recommendations. As of February 2018, DOE has been continuing work on implementing both recommendations.

Implementation of these recommendations may enable DOE to treat Hanford's LAW with methods other than vitrification. This may address certain risks sooner and reduce significant life-cycle treatment costs. Based on the Savannah River Site's experience of saving tens of billions of dollars by grouting its LAW rather than vitrifying it, DOE may also have an opportunity to save tens of billions of dollars at Hanford by reconsidering its waste treatment approach for a portion of its LAW.

Table 34 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOE for review and comment. DOE commented that there are differences in the waste composition and the way waste is regulated at the Hanford and Savannah River sites. These issues were discussed in the underlying report. DOE also provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Nuclear Waste: Opportunities Exist to Reduce Risks and Costs by Evaluating Different Waste Treatment Approaches at Hanford.
[GAO-17-306](#). Washington, D.C.: May 3, 2017.

18. Employment Taxes

Analyzing and using results from the Internal Revenue Service's National Research Program employment tax study could help the agency identify and pursue **millions of dollars annually** in additional revenue owed.



Mission area:
General government

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Millions of dollars annually

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified three actions to improve IRS oversight of employment tax compliance. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-371](#)

Contact Information

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The Internal Revenue Service (IRS) carries out detailed National Research Program (NRP) studies to measure different types of taxpayer compliance. From February 2010 to May 2016, IRS conducted an NRP study of employment tax returns filed from tax years 2008 through 2010—IRS's first effort in more than 30 years to measure employment tax reporting compliance. According to IRS guidance, the agency intends to factor NRP results into decisions about tax compliance and into its estimates of the tax gap. The tax gap is the difference between taxes owed and those voluntarily paid on time. This noncompliance identified in the tax gap estimates represents underreported taxes that employers are to withhold and remit to cover liabilities for Social Security, Medicare, and federal unemployment insurance.

In fiscal year 2016, employers reported employment taxes totaling almost \$2.28 trillion. However, given its resource limitations, IRS examines only a small fraction of the employment tax returns that employers file. For example, in fiscal year 2016, IRS examined about 0.2 percent of all employment tax returns filed in calendar year 2015. Because such a small percentage of employment returns are examined, IRS must ensure that the examinations are as efficient and effective as possible.

In April 2017, GAO found that although the examinations for IRS's NRP employment tax study were completed by May 2016, IRS had not developed formal plans to analyze the study results to (1) identify areas of noncompliance, (2) address such noncompliance, and (3) update its employment tax gap estimate. IRS officials said they had not developed such formal plans due to competing research priorities and limited resources. They added that NRP data on the results had yet to be finalized. Analyzing the NRP employment tax study results would align with IRS's strategic plan. The plan includes an objective to identify trends, detect high-risk areas of noncompliance, and prioritize enforcement approaches by applying research and advanced analytics.

GAO recommended that the Commissioner of Internal Revenue develop plans to analyze the NRP results, address areas of noncompliance identified in its analysis, and update its employment tax gap estimates. IRS agreed with GAO's recommendations and indicated plans to address them by January 2020. While the NRP employment tax data will be 10-to-12 years old by 2020, they will be much more recent than the previous data from 1984. Analyzing and using NRP employment tax study results could allow IRS to identify and pursue millions of dollars in additional taxes owed. Until IRS develops detailed plans to analyze and use the NRP results, IRS will be missing an opportunity to identify additional

potential noncompliance on employment tax returns, and identify solutions to address the noncompliance. In addition, unless IRS analyzes these data, its tax gap estimates will rely on outdated rather than updated information.

Table 35 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS noted that for certain divisions, it has limited staff to perform analytical work on the NRP data to estimate the tax gap or predict noncompliance. IRS added that the sample sizes were small for certain types of taxpayers in the NRP employment tax study. This may limit the data's usefulness. GAO recognizes IRS's resource constraints, however still believes the data have value because they are more recent than data IRS currently relies on, and will allow better use of limited resources. GAO also received technical comments from IRS and incorporated them where appropriate.

Related GAO Product

Employment Taxes, Timely Use of National Research Program Results Would Help IRS Improve Compliance and Tax Gap Estimates. [GAO-17-371](#). Washington, D.C.: April 18, 2017.

19. Tax Fraud and Noncompliance

The Internal Revenue Service should fully assess the benefits and costs of using its existing authority to hold additional taxpayer refunds as well as extending the date for releasing those refunds until it can verify wage information on most returns later in the filing season, which could protect **millions of dollars annually**.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Protect millions of dollars annually in fraudulent and noncompliant refunds

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified two actions for IRS to assess using its existing authority to modify the refund hold. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-224](#)

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The Internal Revenue Service (IRS) continues to confront the ongoing problems of fraud, including identity theft refund fraud, and taxpayer noncompliance. IRS estimates that at least \$1.68 billion was paid in identity theft refund fraud in 2016. Further, IRS reported that, of \$68 billion in Earned Income Tax Credit (EITC) payments made in fiscal year 2017, \$16.2 billion were estimated to be improper.

To help address these issues, consistent with GAO's prior reporting, the Protecting Americans from Tax Hikes Act of 2015 (the Act) advanced the deadline for employers to file Forms W-2, Wage and Tax Statement (W-2) to the Social Security Administration (SSA) to January 31 (1 month earlier than previously if filing on paper, or 2 months earlier if filing electronically). The Act also required that IRS hold all refunds for taxpayers claiming EITC or Additional Child Tax Credit (ACTC) until February 15. These changes allowed IRS more time to receive W-2 data from SSA, match wage information to tax returns, and identify any discrepancies before issuing refunds.

In January 2018, GAO found that IRS received over twice as many (over 214 million) W-2s by February 15 compared to the same time in 2016, and reported that W-2 data were responsible for improving fraud detection and reducing taxpayer burden. However, several factors limited IRS' success. Not all W-2 data were available in time for use in matching against returns being filed. Consequently, IRS was unable to verify over half of the returns it held until February 15 before issuing the refunds. IRS has authority to hold these and other refunds until it receives more W-2 data, but IRS, in consultation with the Department of the Treasury, decided not to exercise this authority because of concerns about strain on the economy, industry partners, taxpayers, and IRS telephone and other operations.

IRS's analyses of the February 15 refund hold showed that IRS could have detected significantly more in potential fraud and noncompliance if it adjusted the scope and timing of the refund hold. For example, IRS estimated that it could have protected \$100 million in fraud and noncompliance had it held all taxpayer refunds until February 15—\$35 million more than it protected by holding refunds with EITC or ACTC. IRS further estimated that moving the refund hold to March 1 for all taxpayers could protect \$895 million compared to \$533 million if it only held refunds with EITC or ACTC until that date.

However, GAO found limitations to IRS's analyses. For example, while IRS has plans to further explore holding refunds longer, it does not have

an evaluation plan to assess the effectiveness of the refund hold on verifying wages. Also, IRS did not fully assess the benefits and costs, including taxpayer burden, of the refund hold, nor how its analysis informs its broader fraud risk management or compliance efforts.

GAO recommended IRS (1) assess the benefits and costs of using existing authority to hold refunds longer, hold all refunds, or both; and (2) take actions based on the assessments. IRS did not state whether it agreed or disagreed with the recommendations, but listed steps to respond to them. For example, IRS stated it would assess and evaluate options for improvements to its refundable tax credits and fraud risk management strategies, and consider modifications based on the evaluation, but did not specify whether this evaluation would fully assess the benefits and costs, including taxpayer burden, of modifying the February 15 refund hold. By not assessing the costs and benefits of modifying the refund hold, IRS does not have sufficient information to inform a decision to change the refund hold date and those subjected to it.

Table 36 in appendix VI lists federal programs or other activities related to this issue area, including budget information when available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS officials did not have additional comments on this report section.

Related GAO Product

Tax Fraud and Noncompliance: IRS Can Strengthen Pre-refund Verification and Explore More Uses. [GAO-18-224](#). Washington, D.C.: January 30, 2018.

20. Premium Tax Credit Improper Payments

The Centers for Medicare & Medicaid Services and the Internal Revenue Service could save money by strengthening controls over the Premium Tax Credit for health insurance, which cost about \$35 billion for fiscal year 2017.



Mission area:
Health

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Cost savings associated with Premium Tax Credit spending

Implementing Entity

Centers for Medicare & Medicaid Services and the Internal Revenue Service

Link to Actions

GAO identified 11 actions to help improve control activities related to the Premium Tax Credit. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-467](#)

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To help pay the cost of insurance premiums for taxpayers and their dependents, the Patient Protection and Affordable Care Act (PPACA) provides a premium tax credit (PTC) to individuals who meet certain income and other requirements. The Centers for Medicare & Medicaid Services (CMS) oversees implementation of certain PPACA provisions related to the federally facilitated marketplace. This includes ensuring that individuals are eligible to receive health insurance coverage through the marketplace, and determining the amount of any advance PTC paid to insurers on behalf of individuals and in advance of filing tax returns. The Internal Revenue Service (IRS) is responsible for ensuring that individuals, employers, and issuers comply with certain PPACA health coverage and tax filing requirements. According to the Congressional Budget Office, the estimated cost of PTC under PPACA totals \$605 billion for fiscal years 2018 through 2027.

In July 2017, GAO identified weaknesses in the design of control activities related to preventing and detecting improper payments for CMS's and IRS's PTC programs. At CMS, GAO found deficiencies in the design of key control activities related to eligibility requirements for advance PTC payments, and the accuracy of advance PTC calculations based on incomes and family sizes. At IRS, GAO found deficiencies in the design of control activities related to determining whether individuals

- met the citizenship or lawful presence PTC eligibility requirement;
- had access to or enrollment in health care coverage that met minimum essential coverage; and
- were properly notified of the requirement to file if they did not file their tax returns.

GAO made eight recommendations to CMS to improve control activities related to eligibility determinations and calculations of advance PTC based on incomes and family sizes. The Department of Health and Human Services (HHS) concurred with five of the recommendations. HHS neither agreed nor disagreed with three recommendations related to improving control activities for verifying identities of individuals, preventing duplicate coverage of individuals receiving minimum essential coverage through their employers, and verifying household incomes and family sizes.

GAO also made three recommendations to IRS to improve control activities related to processing PTC information on tax returns. This includes recovering advance PTC made for individuals who do not meet the eligibility requirements for citizenship or lawful presence. IRS agreed with two recommendations and partially agreed with a third.

Implementation of these recommendations could help CMS and IRS reasonably assure that they are achieving their payment integrity objectives for reducing improper payments. GAO could not estimate the amount of any cost savings resulting from these recommendations. However, their implementation could help reduce improper payments and thus the cost of PTCs paid on behalf of enrollees—about \$35 billion in fiscal year 2017.

Table 37 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to HHS and IRS for review and comment. HHS said it did not have comments on this report section. IRS provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Improper Payments: Improvements Needed in CMS and IRS Controls over Health Insurance Premium Tax Credit. [GAO-17-467](#). Washington, D.C.: July 13, 2017.

21. VA Medical Supplies Procurement

The Department of Veterans Affairs could potentially save **tens of millions of dollars** when acquiring medical and surgical supplies by better adhering to supply chain practices of leading hospitals.



Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Tens of millions of dollars

Implementing Entity

Department of Veterans Affairs

Link to Actions

GAO identified four actions to improve VA's implementation of the MSPV-NG program. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-34](#)

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The Department of Veterans Affairs (VA) spends hundreds of millions of dollars annually on medical supplies, such as bandages and scalpels, for its 170 medical centers to meet the health care needs of about 7 million veterans. To support more efficient purchasing of these supplies, VA launched the Medical Surgical Prime Vendor-Next Generation (MSPV-NG) program in December 2016. This was part of its overall effort to transform its supply chain and achieve \$150 million in cost avoidance.

This program represents a major change in how VA purchases medical supplies. VA's goals for the program include involving clinicians in creating product descriptions (requirements development), consolidating the supplies used across VA medical centers (standardization), leveraging its substantial buying power when making competitive awards, and improving supply chain efficiency.

The program also includes hundreds of new contracts with individual supply vendors and a new set of prime vendor contracts to distribute the supplies. In November 2017, GAO reported that VA's lack of an overarching strategy, stable leadership, and sufficient workforce to support MSPV-NG hampered implementation efforts throughout the organization. From the initial work in 2015 to develop requirements for commonly used medical supplies through the program's rollout to medical centers in December 2016, the program was not executed in line with supply chain practices of leading hospitals. Instead, VA developed requirements for a broad range of MSPV-NG items with limited clinical input, did not attempt to fully consolidate the products used across medical centers, and did not compete vendor agreements.

Although the agency is taking steps to address some of these deficiencies, MSPV-NG is not meeting medical centers' needs. Orders placed through the program were far below VA's target of 40 percent of medical supply spending as of May 2017. VA is also not meeting its projected amount of cost avoidance. Moreover, GAO found instances where VA purchased routine supplies on what it refers to as an emergency basis. This is less efficient—and ultimately more costly—than using the MSPV-NG program.

GAO recommended four actions for VA to improve MSPV-NG's implementation:

- develop, document, and communicate to stakeholders an overarching strategy for MSPV-NG;

-
- provide complete guidance to medical centers for matching equivalent supply items;
 - use input from national clinical program offices to prioritize its requirements development and standardization efforts to focus on supply categories that offer the best opportunity for standardization and cost avoidance; and
 - analyze data on items that are frequently purchased on an emergency basis, determine whether such items are suitable to be added to the MSPV-NG's medical supply list, and work to make any suitable items available via MSPV-NG.

VA concurred with the recommendations. It outlined a series of actions to implement all four recommendations by the end of 2018. Implementing these recommendations should help VA more efficiently and effectively procure medical and surgical supplies. GAO and VA estimated that these actions could potentially save tens of millions of dollars.

Table 38 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to VA for review and comment. In its response, VA outlined the steps it is taking to address three of GAO's four recommendations and associated timelines for implementation, spanning through December 2018. For the other recommendation, VA stated that it has implemented a new approach to facilitate the matching of equivalent supply items and provided training to staff on its use in 2017. However, GAO has requested and is awaiting additional information from VA on details about this approach and its results.

Related GAO Product

Veterans Affairs Contracting: Improvements in Buying Medical and Surgical Supplies Could Yield Cost Savings and Efficiency. [GAO-18-34](#). Washington, D.C.: November 9, 2017.

22. Bureau of Prisons Health Care Costs

The Federal Bureau of Prisons could improve the oversight and management of its health care costs to more efficiently and effectively acquire health care goods and services and potentially save **millions of dollars annually**.



Mission area:
Homeland Security/Law
Enforcement

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Millions of dollars annually

Implementing Entity

Federal Bureau of Prisons

Link to Actions

GAO identified three actions for the Bureau of Prisons to improve the management of its health care costs. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-17-379](#)

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The Federal Bureau of Prisons (BOP) obligated more than \$1.3 billion to provide inmates with health care during fiscal year 2016—an increase of about 37 percent since fiscal year 2009. These costs included medical, dental, and mental health treatment within BOP institutions; drug treatment programs; pharmaceuticals and medical supplies; and expenses for inmates to receive health care at local hospitals when BOP could not provide the necessary care in-house.

In June 2017, GAO reported that BOP lacks health care utilization data—which would show how much the agency is spending on individual inmate's health care, or how much it would be expending on a particular health care service. While BOP has explored and identified some potential solutions to collect the utilization data needed, it has not conducted a cost effectiveness analysis. OMB guidance (OMB Circular A-94) calls for such an analysis to determine the most cost-effective way to collect such data. Utilization data are important for BOP to understand and control its health care costs. For example, BOP officials stated they need utilization data to pursue a regional comprehensive medical services contract instead of continuing to use the current practice of each institution entering into its own contract. Contractors need the data to develop their proposals. BOP officials said that a comprehensive contract could allow the agency to leverage its purchasing power and save millions of dollars annually.

GAO also found two other areas that could help BOP control health care costs and improve oversight of health care initiatives. Specifically, GAO found that BOP has not conducted a spend analysis—per its own agency guidance—to determine what its institutions are buying, from whom, and how much they spend. Such an analysis could help BOP acquire goods and services more strategically. Additionally, BOP has not assessed the effectiveness of its planned or ongoing initiatives to control health care costs. This kind of assessment is required by *Standards for Internal Control* in the Federal Government to ensure that activities achieve their objectives.

In June 2017, GAO made three recommendations to BOP related to collecting inmate health care utilization data, controlling health care costs, and determining the effectiveness of ongoing or planned cost control initiatives. The recommendations called for BOP to (1) conduct a cost-effectiveness analysis of potential solutions for collecting health care utilization data, and take steps toward implementation of the most effective solution; (2) conduct a spend analysis of health care spending

data; and (3) evaluate the extent to which its cost control initiatives achieve their aim.

BOP concurred with the recommendations and, as of February 2018, had begun implementing them. For example, by September 2017, BOP had requested information to identify vendors capable of providing a data analytics solution to collecting and analyzing health care utilization data. BOP also included data analytics as a cost containment effort in its fiscal year 2019 budget documents.

Implementation of GAO's recommendations could help BOP mitigate the increasing costs of providing health care to inmates and potentially save millions of dollars annually. However, the exact amount of savings is unknown because BOP health care cost data are limited.

Table 39 in appendix VI lists federal programs or activities and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to BOP for review and comment. BOP officials said that they had no comments on this draft section.

Related GAO Products

Bureau of Prisons: Better Planning and Evaluation Needed to Understand and Control Rising Inmate Health Care Cost. [GAO-17-379](#). Washington, D.C.: June 29, 2017.

23. Railroad Retirement Board Continuing Disability Reviews

The Railroad Retirement Board could reduce overpayments by **millions of dollars** and better target resources by using more timely earnings data and reallocating resources used for high-risk continuing disability reviews to more effective efforts.



Mission area:
Income security

Source: PhotoDisc. | GAO-18-371SP

Potential Benefit

Millions of dollars

Implementing Entity

Railroad Retirement Board

Link to Actions

GAO identified one matter for Congress and one recommendation for the Board that could help reduce overpayments. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-287](#)

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The Railroad Retirement Board (the Board)—an independent agency that, among other things, provides disability benefits to railroad workers—paid \$1.1 billion in disability benefits to about 31,000 beneficiaries in fiscal year 2016. To ensure that only eligible beneficiaries are paid, the Board conducts earnings continuing disability reviews (earnings reviews) to verify that individuals do not have earnings above program limits. The Board also conducts medical continuing disability reviews (medical reviews) to determine whether an individual's medical condition has improved to the point where it is no longer considered disabling. In February 2018, GAO found issues with both types of these reviews.

Earnings reviews. GAO found that the Board does not use timely data for these reviews. Specifically, the Board uses annual earnings data from the Internal Revenue Service (IRS) that can be up to 2 years old, which delays the detection of ineligible beneficiaries. This delay increases the potential for lost federal dollars. For example, income earned in calendar year 2014 that is filed with the IRS in 2015 would not become available for earnings reviews until 2016. The delay may also cause undetected overpayments to accrue over several years.

The Social Security Administration (SSA) also provides disability benefits to qualifying individuals. GAO found that SSA was able to identify beneficiaries with substantial excess earnings on average 1 year earlier using quarterly wage data from the Department of Health and Human Services National Directory of New Hires (NDNH) database instead of annual earnings data from IRS. GAO could not estimate the potential savings from using more timely earnings data because the Board does not track all costs or benefits of conducting continuing disability reviews. SSA's experience suggests that the Board may similarly identify ineligible beneficiaries and overpayments earlier by using NDNH data. Even if this review resulted in termination of 1 percent of benefits due to ineligibility, this could potentially save millions of dollars. In February 2018, GAO suggested that Congress consider granting the Board access to quarterly earnings information from the NDNH database.

Medical reviews. In fiscal years 2015 and 2016, the Board conducted 166 high-risk medical reviews on cases that it determined to be at high risk for fraud. However, these reviews did not identify any ineligible beneficiaries or overpayments. According to a senior Board official, the Board considers them to be potentially effective. However, these outcomes raise questions about the value and benefit of the Board dedicating resources to these particular reviews when they could be used

for other purposes that are more effective in identifying ineligible beneficiaries.

GAO recommended that the Board consider whether to reallocate resources used for high-risk reviews to other review efforts that produce more effective outcomes. The Board agreed and officials said the Disability Benefits Division plans to consider the effectiveness of continuing to use high-risk reviews to identify ineligible beneficiaries and potential fraud.

Table 40 in appendix VI lists federal programs or other activities related to this issue area, including budget information where available.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Board for review and comment. The Board provided technical comments on this report section, which GAO incorporated.

Related GAO Product

Railroad Retirement Board: Actions Needed to Improve the Effectiveness and Oversight of Continuing Disability Reviews. [GAO-18-287](#). Washington, D.C.: February 21, 2018.

Appendix IV: New Actions Added to Existing Areas

We are adding seven new actions based on GAO reports that fall within the scope of six existing areas identified in prior annual reports.

New Action Added to Existing Area



Mission area: Agriculture

Source: USDA and PhotoDisc. | GAO-18-371SP

Crop Insurance

In July 2017, GAO identified a new action that Congress can take to reduce the cost of delivering the federal crop insurance program by **hundreds of millions of dollars annually**.

GAO product with new action: [GAO-17-501](#)

Updates on prior actions:

- One previous action regarding premium subsidies has not been addressed.
- See the [Action Tracker](#) for more information.

The crop insurance program will cost the federal government an average of about \$7.9 billion per year for 2017 through 2026, according to a Congressional Budget Office projection in January 2017. These costs include companies' underwriting gains—their profits on insurance policies—which averaged \$1.1 billion per year for 2011 through 2016. In 2010, the Department of Agriculture (USDA) negotiated with these companies on how much they can expect to profit from these insurance policies, but in July 2017, GAO found that this expected rate of return was at least 3.5 percentage points higher than market conditions would suggest it should be.

New Action: Congress should consider repealing an Agricultural Act of 2014 requirement that any revision to the agreement between USDA and insurance companies not reduce companies' expected underwriting gains, and directing the Risk Management Agency to, during the next renegotiation of the agreement, (1) adjust the participating insurance companies' target rate of return to reflect market conditions and (2) assess the portion of premiums that participating insurance companies retain and, if warranted, adjust it.

Agency Comments and GAO's Evaluation: USDA had no comment on this matter for congressional consideration.

New Action Added to Existing Area



Mission area: Defense

Source: Department of Defense/Helene C. Stikkel. GAO-18-371SP

Defense Virtual Training

In September 2017, GAO identified a new action to help the Marine Corps better manage fragmentation in its virtual training program.

GAO product with new action: [GAO-17-789](#)

Updates on prior actions:

- Two actions have been addressed.
- One action has been partially addressed.
- See GAO's [Action Tracker](#) for more information.

GAO found that the Marine Corps' process to manage the development and use of virtual training devices—which will cost about \$425 million to purchase and sustain between fiscal years 2018 to 2022—is fragmented and has gaps. Specifically, the Marine Corps did not account for key factors in its front-end planning to support the devices' acquisition, such as the specific training tasks the device is intended to address. Further, it also did not consider expected and actual usage data to support investment decisions. Finally, it did not evaluate the devices' effectiveness to accomplish operational training. Without guidance to address these gaps, the Marine Corps risks investing in and sustaining devices with undetermined value to operational training.

New Action: GAO recommended that the Secretary of Defense direct the Commandant of the Marine Corps to develop guidance for the development and use of virtual training devices that addresses these gaps.

Agency Comments and GAO's Evaluation: The Department of Defense (DOD) agreed with the recommendation and stated that it would review the Marine Corps' efforts to address the recommendation within 12 months. GAO provided a draft of this report section to DOD for review and comment. DOD officials had no comments on this report section.

New Action Added to Existing Area



Mission area:
Defense

Source: Department of Defense/Helene C. Stikkel.
GAO-18-371SP

Navy Shipbuilding

In March 2017, GAO identified a new action to help the Navy improve its use of incentives in shipbuilding.

GAO product with new action: [GAO-17-211](#)

Updates on prior actions:

- Two actions have been partially addressed.
- One action related to the use of ship warranties has not been addressed.
- See GAO's [Action Tracker](#) for more information.

In the past 10 years, the Navy obligated \$72 billion on shipbuilding contracts for detail design and construction. Over 80 percent of the contracts were fixed-price incentive (FPI) firm target awards, which provide an incentive for the shipbuilder to control costs. GAO found hundreds of millions of dollars in additional incentives—such as award fees and milestone-based incentives—within selected FPI contracts. The Navy has not evaluated the effectiveness of the additional incentives in FPI contracts. Until the Navy does so, it will not know whether these incentives could be eliminated from use in future contracts to save the government from redundant or ineffective spending on them.

New Action: GAO recommended that the Navy should assess its use of additional incentives in FPI contracts across its shipbuilding programs. This assessment should include a mechanism to share proven incentive strategies for achieving intended cost, schedule, and quality outcomes among contracting and program office officials.

Agency Comments and GAO's Evaluation: The Navy agreed with GAO's recommendation and confirmed in December 2017 that the Center for Naval Analyses is studying the use of these incentives on FPI contracts. It plans to publish the results in mid-2018. GAO provided a draft of this report section to the Navy for review and comment. The Navy concurred with no comments.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-18-371SP

Federal Vehicles

In April 2017, GAO identified two new actions to help the federal government better manage its fleet of retained vehicles.

GAO product with new actions: [GAO-17-426](#)

Updates on prior actions:

- Three actions have been partially addressed.
- See GAO's [Action Tracker](#) for more information.

Federal agencies spent about \$1.6 billion to purchase vehicles from fiscal years 2011 through 2015. GAO found that Customs and Border Protection (CBP) within the Department of Homeland Security (DHS) did not determine if 81 percent of its selected vehicles were utilized in fiscal year 2015. Similarly, GAO found that the Department of Agriculture's (USDA) National Resources Conservation Service (NRCS) did not assess whether 9 percent of its selected vehicles were utilized in fiscal year 2015. Without this analysis, which these agencies are directed to perform under the policies of the relevant departments, agencies may be incurring expenses to retain vehicles that are not being used, including about \$13.5 million in maintenance and depreciation costs in fiscal year 2015.

New Action: GAO made two recommendations to facilitate the potential disposal of underutilized vehicles: (1) CBP should develop a plan for how it will improve its utilization assessment processes and (2) USDA should communicate its vehicle utilization policy to NRCS staff.

Agency Comments and GAO's Evaluation: DHS concurred with the recommendations. USDA did not agree or disagree with the recommendation but indicated it would address it. GAO provided a draft of this report section to those agencies for their review and comment. DHS and USDA did not provide any comments.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-18-371SP

Security of Federal Facilities

In February 2017, GAO identified a new action to better manage fragmentation among federal agencies to address risks to federal courthouse security.

GAO product with new action: [GAO-17-215](#)

Updates on prior actions:

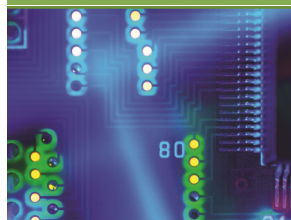
- Four actions have been partially addressed.
- See GAO's [Action Tracker](#) for more information.

The variety of civil and criminal cases tried in the 400-plus U.S. federal courthouses can pose security risks. Security responsibilities are shared by four agencies—the General Services Administration (GSA), U.S. Marshals Service, Federal Protective Service (FPS), and Administrative Office of the U.S. Courts (AOUSC)—but they have had long-standing problems coordinating, as GAO found in 2011 and 2017. The agencies do not have a structure for comprehensively addressing courthouse security, which results in fragmentation.

New Action: GAO recommended in February 2017 that GSA—in conjunction with AOUSC, the U.S. Marshals Service, and FPS—establish a national-level working group or similar forum, consisting of leadership designees with decision-making authority, to meet regularly to address courthouse security issues.

Agency Comments and GAO's Evaluation: GSA agreed. The four agencies are taking steps to formalize the Inter-Agency Judicial Security Council, demonstrating significant progress in addressing GAO's recommendation. Officials said they plan to adopt a charter in the spring of 2018. GAO provided a draft of this report section to the agencies for review and comment. GSA, U.S. Marshals Service, FPS, and AOUSC officials had no comments on this report section.

New Action Added to Existing Area



Mission area:
Information technology

Source: PhotoDisc. | GAO-18-371SP

Information Technology Investment Portfolio Management

In September 2016, GAO identified a new action to improve federal agencies' efforts to complete software application inventories, which could further contribute to the **billions of dollars** of potential savings previously identified.

GAO product with new action: [GAO-16-511](#)

Updates on prior actions:

- Two actions have been addressed.
- Three actions have been partially addressed.
- See GAO's [Action Tracker](#) for more information.

The federal government spends more than \$90 billion annually on information technology, including software applications, to enable business or mission functions. GAO reported that 20 of the 24 agencies covered by the Chief Financial Officers Act of 1990 did not have complete software application inventories. Each agency that lacks a complete inventory risks missing opportunities to identify duplicative, wasteful, and low-value applications and achieve potential cost savings.

New Action: GAO recommended that the heads of 20 agencies—the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services (HHS), Housing and Urban Development, Interior, Labor, State, Transportation, the Treasury, and Veterans Affairs (VA); and the Environmental Protection Agency; National Aeronautics and Space Administration; National Science Foundation (NSF); Nuclear Regulatory Commission; Office of Personnel Management; Small Business Administration; Social Security Administration; and U.S. Agency for International Development (USAID)—should direct their Chief Information Officers to improve their inventories by taking steps to fully address the practices GAO identified as being partially met or not met.

Agency Comments and GAO's Evaluation: Fifteen agencies agreed with the recommendation and five stated they had no comment. As of March 2018, Agriculture, VA, and USAID had established a complete software application inventory, 16 agencies reported making progress, and 1 agency—HHS—had not provided any update on the status of its efforts to address GAO's recommendation. GAO sent this report section to the 20 agencies for comment. Six agencies—Education, Labor, State, VA, NSF, and USAID—provided comments, which were incorporated as appropriate. The 14 other agencies had no comments on this report section.

Appendix V: Open Congressional Actions, by Mission

In our 2011 to 2018 annual reports, we directed 100 actions to Congress, of which 58 remain open. Of the 58 open congressional actions, 11 are partially addressed and 47 are not addressed or new, as of March 2018. See table 15.

Table 15: Open Congressional Actions Related to Fragmentation, Overlap, Duplication, Cost Savings, or Revenue Enhancement, 2011-2018

Mission	Annual report	Area	Action summary
Agriculture	2013	Agricultural Quarantine Inspection Fees (Area 18)	Congress should consider taking steps to allow the Secretary of Agriculture to set fee rates to recover the full costs of the Agricultural Quarantine Inspection program.
		Crop Insurance (Area 19)	Congress may wish to consider either limiting the amount of premium subsidies that an individual farmer can receive each year as it limits the amount of payments to individual farmers in many farm programs or reducing premium subsidy rates, or both limiting premium subsidies and reducing premium subsidy rates. Implementing this action could result in \$1.4 billion annually in cost savings, according to GAO analysis.
			Congress should consider repealing the 2014 farm bill requirement that any revision to the standard reinsurance agreement not reduce insurance companies' expected underwriting gains, and directing the Risk Management Agency to, during the next renegotiation of the agreement, (1) adjust the participating insurance companies' target rate of return to reflect market conditions and (2) assess the portion of premiums that participating insurance companies retain and, if warranted, adjust it. Implementing this action could result in hundreds of millions of dollars in savings annually, according to GAO analysis.
	2011	Food Safety (Area 1)	Congress should consider commissioning the National Academy of Sciences or a blue ribbon panel to conduct a detailed analysis of alternative food safety organizational structures. Congress should consider formalizing the Food Safety Working Group through statute to help ensure sustained leadership across food safety agencies over time.
Defense	2013	Joint Basing (Area 20)	Congress should consider directing the Assistant Secretary of Defense for Energy, Installations, and Environment, in collaboration with the military services and joint bases, to evaluate the purpose of the program and determine whether the current goals, as stated in the 2005 Base Realignment and Closure Commission recommendation, are still appropriate, or whether goals should be revised; communicate these goals to the military services and joint bases, and adjust program activities accordingly; provide direction to the joint bases on requirements for meeting program goals, including determining reporting requirements and milestones; and determine any next steps for joint basing, including whether to expand it to other installations.
		2012	Stabilization, Reconstruction, and Humanitarian Assistance Efforts (Area 6)

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
Economic development	2016	Treasury's Foreclosure Prevention Efforts (Area 17)	<p>Congress should consider rescinding any excess Making Home Affordable (MHA) balances that the Department of the Treasury (Treasury) deobligates and does not move into the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (Hardest Hit Fund). Implementing the actions in this area could result in \$4.8 billion in savings, according to GAO analysis.</p> <p>The agency estimated \$4.8 billion in potential excess funds, \$2 billion of which Treasury deobligated in February 2016. As of March 1, 2018, Treasury had not deobligated MHA funds beyond the \$2 billion that it transferred to the Troubled Asset Relief Program-funded Hardest Hit Fund in February 2016. To the extent that Treasury identifies and deobligates any MHA funds that are likely to not be expended, these funds may then be available for Congress to rescind and use elsewhere for other priorities.</p>
	2011	Essential Air Service (Area 42)	<p>Congress may wish to consider revising the program's operating requirements for providing air service to communities to improve efficiency and to better match capacity with community use.</p> <p>This action is partially addressed. Congress has taken some action to address this action, such as revising the program's operating requirements most recently in the Consolidated Appropriations Act, 2018. However, opportunities still exist to address this action, such as allowing flexibility in the number of flights provided.</p> <p>Congress may wish to consider assessing multimodal solutions, such as more cost-effective bus service to hub airports or air taxi service, to provide communities alternatives to Essential Air Service.</p>
Energy	2018	DOE's Treatment of Hanford's Low Activity Waste (Area 17)	<p>Congress should consider clarifying, in a manner that does not impair the regulatory authorities of the Environmental Protection Agency and the state of Washington, Department of Energy's (DOE) authority at Hanford to determine, in consultation with the Nuclear Regulatory Commission, whether portions of the supplemental low-activity waste can be managed as a waste type other than high-level waste. Implementing this action could result in savings of tens of billions of dollars from 2018 to 2061, according to GAO analysis.</p>
	2015	U.S Enrichment Corporation Fund (Area 16)	<p>Congress may wish to permanently rescind the entire \$1.6 billion balance of the U.S. Enrichment Corporation Fund. Implementing this action could result in savings of \$1.6 billion, according to GAO analysis.</p>
	2014	Advanced Technology Vehicles Manufacturing Loan Program (Area 13)	<p>Congress may wish to consider rescinding all or part of the remaining \$4.3 billion in credit subsidy appropriations, unless the DOE can demonstrate a demand for new Advanced Technology Vehicles Manufacturing loans and viable applications. Implementing this action could result in a one-time savings of up to \$4.3 billion, according to a DOE estimate.</p>
	2011	Federal Fleet Energy Goals (Area 12)	<p>Changes in existing laws could streamline the requirements and provide fleet managers with more flexibility in meeting goals.</p>
		Oil and Gas Resources (Area 45)	<p>Congress may need to take action to require the Department of the Interior (Interior) to establish an annual production incentive fee or similar fee for nonproducing leases.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
			<p>Congress may wish to provide additional guidance or take additional actions to direct Interior to improve its oversight of federal lands and waters and the revenues derived from production of oil and gas if Interior chooses not to take any action on its study examining how other oil and gas resource owners select fiscal parameters for leasing and adjusting oil and gas royalty rates. Implementing the actions in this area could result in additional revenue of \$1.7 billion, according to Interior estimates.</p>
General government	2017	Use of the Do Not Pay Working System (Area 11)	<p>Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file with Treasury for use through the Do Not Pay working system.</p> <p>As of March 2018, members of Congress have introduced the Stopping Improper Payments to Deceased People Act (HR.4929 and S.2374) that, if enacted into law, would address this issue. Sharing the full death file through the Do Not Pay working system would provide agencies with additional information and enhance efforts to identify and prevent improper payments to deceased individuals.</p>
		Recovery Operations Center Closure (Area 10)	<p>Congress may wish to consider directing the Council of the Inspectors General for Integrity and Efficiency to develop a legislative proposal to reconstitute the essential capabilities of the Recovery Operations Center to help ensure federal spending accountability.</p>
	2016	Financial Regulatory Structure (Area 5)	<p>Congress should consider whether additional changes to the financial regulatory structure are needed to improve (1) the efficiency and effectiveness of oversight; (2) the consistency of consumer and investor protections; and (3) the consistency of financial oversight for similar institutions, products, risks, and services.</p> <p>This action is partially addressed. As of March 2018, at least two bills, the Financial CHOICE Act of 2017 (H.R. 10) and the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155) have been introduced in the 115th Congress that would change the financial regulatory structure, to some degree, to address fragmented and overlapping regulatory authorities, as GAO suggested in February 2016. GAO will continue to monitor the reform efforts to determine the extent to which they could help to address fragmentation and overlap between the federal financial regulatory agencies and reduce opportunities for inefficiencies in the regulatory process and inconsistencies in how regulators conduct oversight activities over similar types of institutions, products, and risks.</p> <p>Congress should consider whether legislative changes are necessary to align the Financial Stability Oversight Council's authorities with its mission to respond to systemic risks.</p> <p>This action is partially addressed. As of March 2018, two bills were introduced, the Financial CHOICE Act of 2017 (H.R. 10) and the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155), which may alter the FSOC's authorities, but it is not clear to what extent the legislation would address GAO's February 2016 suggestion. GAO will continue to monitor the reform efforts to determine the extent to which they help to align FSOC's authorities with its mission to respond to systemic risks.</p>
		Identity Theft Refund Fraud (Area 22)	<p>Congress should consider providing the Secretary of the Treasury with the regulatory authority to lower the threshold for electronic filing of W-2s from 250 returns annually to between 5 to 10 returns, as appropriate. Implementing the actions in this area could result in savings of billions of dollars, according to GAO analysis.</p>

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Mission	Annual report	Area	Action summary
	2015	Consumer Product Safety Oversight (Area 4)	<p>Congress should consider transferring the oversight of the markings of toy and imitation firearms in section 5001 of title 15 of the U.S. Code from the Department of Commerce’s National Institute of Standards and Technology to the Consumer Product Safety Commission.</p> <p>Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. Different types of formal mechanisms could include, for example, creating a memorandum of understanding to formalize relationships and agreements or establishing a task force or interagency work group. As a starting point, Congress may wish to obtain agency input on options for establishing more formal coordination.</p>
		Tax Policies and Enforcement (Area 17)	<p>Congress should consider revisiting the use of individual retirement accounts (IRA) to accumulate large balances and considering ways to improve the equity of the existing tax expenditure on IRAs. Options could include limits on (1) the types of assets permitted in IRAs, (2) the minimum valuation for an asset purchased in an IRA, or (3) the amount of assets that can be accumulated in IRAs and employer-sponsored plans that get preferential tax treatment.</p> <p>Congress should consider expanding the mandate that partnerships and S corporations electronically file their tax returns in order to cover a greater share of filed returns. Implementing the actions in this area could potentially enable IRS to collect hundreds of millions of dollars in additional revenue, according to GAO analysis.</p>
	2012	Internal Revenue Service Enforcement Efforts (Area 44)	<p>To help improve taxpayer compliance, Congress may wish to make owners of rental real estate subject to the same payment reporting requirements regardless of whether they engaged in a trade or business under current law.</p> <p>To help improve taxpayer compliance, Congress may wish to require payers to report service payments to corporations, thereby reducing payers’ burden to determine which payments require reporting. Implementing the actions in this area could result in tax revenues of billions of dollars, according to GAO analysis of information from the Joint Committee on Taxation.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2011	Simple Tax Return Errors (Area 56)	<p>Congress may want to consider granting the Internal Revenue Service (IRS) broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing.</p> <p>This action is partially addressed. The Consolidated Appropriations Act, 2016 gave IRS additional math error authority, but limited to certain circumstances. Giving IRS broader math error authority with appropriate controls would enable IRS to correct obvious noncompliance, would be less intrusive and burdensome to taxpayers than audits, and would potentially help taxpayers who underclaim tax benefits to which they are entitled.</p> <p>If Congress decides to extend broader math error authority to IRS, controls may be needed to ensure that this authority is used properly such as requiring IRS to report on its use of math error authority. The administration also requested that Congress expand IRS's math error authority as part of the Service's Congressional Budget Justification and Annual Performance Report and Plan for fiscal year 2019. Specifically, the administration requested authority to correct a taxpayer's return in the following circumstances: 1) the information provided by the taxpayer does not match the information contained in government databases; 2) the taxpayer has exceeded the lifetime limit for claiming a deduction or credit; or 3) the taxpayer has failed to include with his or her return certain documentation that is required by statute. As of March 2018, the Congress had not provided Treasury with such authority.</p>
		S Corporations (Area 63)	<p>Congress could require S corporations to use information already available to them to calculate shareholders' basis as completely as possible and report it to shareholders and the IRS. Implementing this action could result in savings of hundreds of millions of dollars, according to GAO analysis.</p>
		Research Tax Credit (Area 65)	<p>Congress could eliminate the regular credit and add a minimum base amount (equal to 50 percent of a taxpayer's current spending) to the method for computing the alternative simplified credit.</p>
		New Markets Tax Credit (Area 66)	<p>Congress should consider offering grants in lieu of credits to Community Development Entities if it extends the program again. If it does so, Congress should require Treasury to gather appropriate data to assess whether and to what extent the grant program increases the amount of federal subsidy provided to low-income community businesses compared to the New Markets Tax Credit; how costs for administering the program incurred by the Community Development Financial Institutions Fund, Community Development Entities, and investors would change; and whether the grant program otherwise affects the success of efforts to assist low-income communities. One option would be for Congress to set aside a portion of funds to be used as grants and a portion to be used as tax credit allocation authority under the current structure of the program to facilitate comparison of the two program structures.</p>
		Governmental Bonds (Area 67)	<p>Congress should consider whether facilities, including hotels and golf courses, that are privately used should be financed with tax-exempt governmental bonds. Implementing this action could result in savings of hundreds of millions of dollars, according to GAO analysis.</p>
Health	2016	Medicare Payments by Place of Service (Area 30)	<p>Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program. Implementing this action could result in savings of billions of dollars annually, according to MedPAC and Bipartisan Policy Center estimates.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2015	DOD US Family Health Plan (Area 6)	Congress should terminate the Secretary of Defense’s authority to contract with the US Family Health Plan (USFHP) designated providers in a manner consistent with a reasonable transition of affected USFHP enrollees into TRICARE’s regional managed care program or other health care programs, as appropriate. Implementing this action could save millions of dollars from fiscal years 2019 to 2022, according to GAO analysis.
		Medicare Payments to Certain Cancer Hospitals (Area 19)	Congress should consider requiring Medicare to pay these prospective payment system (PPS)-exempt cancer hospitals (PCH) as it pays PPS teaching hospitals, or provide the Secretary of HHS with the authority to otherwise modify how Medicare pays PCHs, and provide that all forgone outpatient payment adjustment amounts be returned to the Supplementary Medical Insurance Trust Fund. Implementing this action could result in savings of almost \$500 million annually, according to GAO analysis.
	2014	Medicaid Demonstration Waivers (Area 21)	Congress could consider requiring the Secretary of Health and Human Services to improve the Medicaid demonstration review process, through steps such as improving the review criteria, better ensuring that valid methods are used to demonstrate budget neutrality, and documenting and making clear the basis for the approved limits. GAO had previously recommended that the Department of Health and Human Services (HHS) take these actions. GAO elevated these actions for Congress to consider after HHS disagreed with the need to improve budget neutrality criteria, methods, and documentation of the basis for approved spending limits. Implementing the actions in this area could result in savings of billions of dollars , according to GAO analysis.
	2013	Medicaid Supplemental Payments (Area 26)	<p>Congress should consider requiring the Administrator of the Centers for Medicare & Medicaid Services (CMS) to improve state reporting of non-Disproportionate Share Hospital (DSH) supplemental payments, including requiring annual reporting of payments made to individual facilities and other information that the agency determines is necessary to oversee non-DSH supplemental payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require annual state reporting of non-DSH supplemental payments made to individual facilities. However, as of March 2018, Congress has not enacted legislation to require such reporting. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring annual reporting of certain Medicaid supplemental payments and awarding a contract to review Medicaid supplemental payment information submitted by states.</p> <p>Congress should consider requiring the CMS Administrator to clarify permissible methods of calculating non-DSH supplemental payments.</p> <p>This action is partially addressed. In January 2017, a bill, H.R. 541, was introduced in the House of Representatives which, if enacted, would require CMS to issue guidance to states that identifies permissible methods for calculating non-DSH supplemental payments to providers. However, as of March 2018, Congress has not enacted legislation to require CMS to issue such guidance. In addition, CMS has taken some action, including issuing a State Medicaid Director Letter requiring states to submit non-DSH supplemental payment information and awarding a contract to review Medicaid supplemental payment information submitted by states.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
			<p>Congress should consider requiring the CMS Administrator to require states to submit an annual independent certified audit verifying state compliance with permissible methods for calculating non-DSH supplemental payments. Implementing these three actions could result in savings in the hundreds of millions of dollars, according to GAO analysis.</p>
	2011	Medicare's Health Care Payment (Area 74)	<p>Congress could exempt from the budget neutrality requirement savings attributable to policies that reflect efficiencies occurring when services are furnished together.</p> <p>This action is partially addressed. The Consolidated Appropriations Act of 2016 revised the payment reduction for the professional component of multiple diagnostic imaging services from 25 percent to 5 percent beginning on January 1, 2017, and exempted the reduced expenditures attributable to this multiple procedure payment reduction (MPPR) from the budget neutrality provision. MPPRs or other policies that may result in a reduction to payments for the technical component for diagnostic cardiovascular and ophthalmology services continue to be subject to budget neutrality for 2016. Unless Congress exempts from the budget neutrality requirement savings realized from the implementation of all MPPRs or other policies that reflect efficiencies occurring when services are furnished together, these savings will not accrue to the Medicare program.</p>
Homeland security/law enforcement	2012	Homeland Security Grants (Area 17)	<p>Congress may want to consider requiring the Department of Homeland Security (DHS) to report on the results of the Federal Emergency Management Agency's (FEMA) efforts to identify and prevent unnecessary duplication within and across its preparedness grant programs, and consider these results when making future funding decisions for these programs.</p> <p>Once FEMA has completed its assessment, Congress may wish to consider limiting the use of federal preparedness grant programs to fund only projects to fill identified, validated, and documented capability gaps that may (or may not) include maintaining existing capabilities developed.</p>
		Immigration Inspection Fee (Area 49)	<p>Congress may wish to require the Secretary of the Department of Homeland Security (DHS) to adjust the air passenger immigration inspection fee as needed so that collections are aligned with total inspection costs, if it is determined that total immigration fee collections do not cover total immigration inspection costs. Implementing this action could increase annual fee revenue by tens of millions of dollars, according to GAO analysis of fiscal year 2012 data.</p> <p>This action is partially addressed. As of March 2018, Congress had not enacted legislation, as GAO suggested in February 2012, to adjust the air passenger immigration fee. However, Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) have identified the extent to which collections are aligned with total immigration inspection costs.</p>
			<p>Congress may wish to require the Secretary of DHS to direct U.S. Immigration and Customs Enforcement and Customs and Border Protection to establish a regular schedule to review and coordinate on the costs of their respective air passenger immigration inspection activities, and revise the proportion of the fee received by each agency accordingly.</p>
Income security	2018	Railroad Retirement Board Continuing Disability Reviews (Area 23)	<p>Congress should consider granting the Board access to the HHS's quarterly earnings information from the National Directory of New Hires database. Implementing this action could result in savings of millions of dollars annually, according to GAO analysis.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2014	Disability and Unemployment Benefits (Area 8)	Congress should consider passing legislation to require the SSA to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period. Implementing this action could save about \$2.5 billion dollars over 10 years, according to an OMB estimate.
		Federal Employees' Compensation and Unemployment Benefits (Area 9)	Congress should consider granting the Department of Labor (DOL) the additional authority to access wage data to help verify claimants' reported income and help ensure the proper payment of benefits.
		Veterans' and Survivors' Benefits (Area 23)	<p>Congress should consider passing legislation that would establish a look-back and penalty period for claimants who transfer assets for less than fair market value prior to applying for pension benefits. Implementing this action could save about \$4 million annually, according to a Congressional Budget Office estimate.</p> <p>This action is partially addressed. As of March 2018, there has been no legislative action taken in the current Congress. In the 113th Congress, the House of Representatives passed H.R. 2189, which contained language to establish a 3-year look-back and penalty period for the VA pension program. However, the bill was not ultimately enacted. Additionally, in January 2015, the Department of Veterans Affairs (VA) proposed regulations establishing a look-back and penalty period for the VA pension program. In February 2018, VA officials told GAO the regulations were undergoing legal review as part of the final concurrence process.</p>
	2011	Social Security Offsets (Area 80)	Congress could consider giving the IRS the authority to collect the information that the Social Security Administration (SSA) needs on government pension income to administer the Government Pension Offset and the Windfall Elimination Provision accurately and fairly. Implementing this action could result in savings between \$2.4 billion to \$7.9 billion over 10 years, if enforced both retrospectively and prospectively, based on estimates from the CBO and SSA.
Information technology	2014	Interoperable Radio Communications Systems (Area 10)	<p>Congress should consider requiring DHS, the Department of Justice (DOJ), and Treasury to collaborate on the development and implementation of a joint radio communications solution that specifically requires the departments to establish an effective governance structure that includes a formal process for making decisions and resolving disputes, define and articulate a common outcome for this joint effort, and develop a joint strategy for improving radio communications.</p> <p>This action is partially addressed. Legislation has been enacted to provide funding for, among other things, the development of a nationwide, interoperable broadband network that is aimed at improving interoperable radio communications among public safety officials. However, the use of the broadband network by public safety users will be voluntary. In addition, DHS, DOJ, and Treasury officials indicated that once mission-critical voice capabilities have been developed for the broadband network, they will determine whether they will use the network for that purpose. Therefore, until the three departments make a decision to use the nationwide public safety broadband network to support mission critical voice capabilities, it is uncertain if the legislation will address these agencies' fragmented approaches to improving interoperable radio communications. As of March 2018, there has been no legislative action taken in the current Congress.</p>

Appendix V: Open Congressional Actions, by Mission

Mission	Annual report	Area	Action summary
	2013	Dissemination of Technical Research Reports (Area 10)	<p>Congress should consider examining the appropriateness and viability of the fee-based model under which the National Technical Information Service (NTIS) currently operates for disseminating technical information to determine whether the use of this model should be continued.</p> <p>This action is partially addressed. As of March 2018, there has been no legislative action taken in the current Congress. Several bills were introduced during the 115th Congress, including H.R. 3354, S.1662, that had the potential to address this action. However, these bills were not ultimately enacted. Additionally, the Department of Commerce Appropriations Act, 2015, 2016, and 2017, limited instances where NTIS could charge customers fees for reports. This limitation continues in effect under the Consolidated Appropriations Act, 2018.</p>
		Geospatial Investments (Area 11)	<p>Congress should consider assessing the impact of the disclosure restrictions of Section 9 of Title 13 and Section 412 of Title 39 of the U.S. Code in moving toward a national geospatial address database. If warranted, Congress should consider revising those statutes to authorize the limited release of addresses, without any personally identifiable information, specifically for geospatial purposes. Such a change, if deemed appropriate, could potentially result in significant savings across federal, state, and local governments. Implementing the actions in this area could result in savings of millions of dollars, according to GAO analysis.</p>
International affairs	2016	Cargo Preference for Food Aid (Area 36)	<p>While recognizing that cargo preference serves policy goals established by Congress with respect to the U.S. merchant marine, including maintenance of a fleet capable of serving as a naval and military auxiliary in time of war or national emergency, Congress should consider clarifying cargo preference legislation regarding the definition of “geographic area” to ensure that agencies can fully utilize the flexibility Congress granted to them when it lowered the cargo preference for food aid requirement. Implementing this action could potentially result in millions of dollars in savings, according to GAO analysis.</p>
	2013	Tobacco Taxes (Area 31)	<p>Congress, as it continues oversight of the Children’s Health Insurance Program Reauthorization Act (CHIPRA), may wish to consider equalizing tax rates on roll-your-own and pipe tobacco.</p> <p>Congress, as it continues oversight of CHIPRA, may wish to consider, in consultation with Treasury options for reducing tax avoidance due to tax differentials between small and large cigars. Federal revenue losses were as much as \$2.6 to \$3.7 billion between April 2009 and February 2014, and Congressional action could address future revenue losses.</p>
	2012	Overseas Administrative Services (Area 20)	<p>Congress may wish to consider requiring agencies to participate in International Cooperative Administrative Support Services (ICASS) unless they provide a business case to show that they can obtain these services outside of ICASS without increasing overall costs to the U.S. government or that their mission cannot be achieved within ICASS.</p>
	2011	Antidumping and Countervailing Duties (Area 81)	<p>Congress could eliminate the retrospective component of the U.S. antidumping and countervailing duty system and, instead, treat the antidumping and countervailing duties assessed at the time the product enters the country as final.</p>

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Mission	Annual report	Area	Action summary
Social services	2012	Housing Assistance (Area 28)	Congress may wish to consider requiring the Departments of Agriculture (USDA) and Housing and Urban Development (HUD) to examine the benefits and costs of merging those programs that serve similar markets and provide similar products. As a first step, Congress could consider requiring USDA and HUD to explore merging their single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected.

Source: GAO. | GAO-18-371SP

Notes: Unless otherwise indicated, actions in this table are not addressed, meaning that a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior Congressional session.

As of March 2018, eleven actions are partially addressed. Partially addressed means a relevant bill has passed a committee, the House of Representatives, or the Senate, or relevant legislation has been enacted but only addressed part of the action needed. This table provides information on steps Congress took for actions that are considered partially addressed.

This table provides estimates of cost savings or increased revenue where such information was available. The potential cost savings for implementing individual actions are provided when known, or for implementing multiple actions in an area, when the savings are not attributable to a specific action.

Appendix VI: Additional Information on Programs Identified

This appendix provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, cost savings, and revenue enhancement discussed in this report, including budgetary information when available. “Programs” may include grants, initiatives, centers, loans, and other types of assistance or projects. This information can provide useful context for the issues we identified, but limitations should be noted. It is not always possible to report budgetary information at the specific program or activity level because agency budgets are not organized by programs, but rather by appropriations accounts. In those instances, we reported the most reliable available data for the most recent fiscal year or did not report budgetary information. Further, because this report discusses various programs or activities, each table may report different types of budgetary information, such as obligations, collections, or outlays. Because of these limitations, the budgetary information reported in this appendix cannot be totaled and does not represent potential cost savings for all programs.

Table 16: Area 1 Imported Seafood Oversight: Related Program Information

Agency	Program name	Program description
Food and Drug Administration	Foods	The purpose of the Foods Program is to, in part, protect and promote human health by ensuring the safety of the American food supply, dietary supplements, and cosmetics, as well as the proper labeling of food and cosmetics. This includes ensuring the safety of imported seafood.
Food Safety and Inspection Service	Food Safety	The purpose of the Food Safety program is to ensure that the nation’s commercial supply of meat, including Siluriformes fish and products (catfish), poultry, and egg products, is safe, wholesome, and properly labeled and packaged. This includes ensuring the safety of imported catfish.

Source: GAO analysis of Food and Drug Administration and Food Safety and Inspection Service budget information. | GAO-18-371SP

Table 17: Area 2 Defense Distribution Centers: Related Program Information

Agency	Activity name	Description
Department of Defense/ Defense Logistics Agency (DLA)	Distribution Services	DLA has a network of 17 distribution centers in the United States that it uses to provide commodities (e.g., troop support items such as clothing, medicine, food, and consumable repair parts for weapon systems) and distribution services (e.g., the processing and storing of inventory) to support U.S. military forces.

Source: GAO analysis of DLA information. | GAO-18-371SP

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Table 18: Area 3 GPS Modernization: Related Program Information

Agency	Program name	Program description
Department of Defense (DOD)	DOD Global Positioning System (GPS) Modernization for Weapon Systems	DOD is upgrading GPS receivers currently being developed to provide a stronger, encrypted, military-specific signal to meet military positioning, navigation, and timing needs and address known threats to the current system, such as signal jamming.

Source: GAO analysis of DOD information. | GAO-18-371SP

Table 19: Area 4 Federal Use of Identity Theft Services: Related Program Information and Contract Obligations

Agency	Program description	Estimated contract obligations as of October 2017
Office of Personnel Management (OPM)	OPM is providing complimentary identity theft services through December 18, 2025, to individuals affected by two 2015 data breaches that occurred at the agency—one of federal personnel records and one of background investigations of current, former, and prospective federal employees.	\$248 million ^a

Source: GAO analysis of the Federal Procurement Data System-Next Generation. | GAO-18-371SP

Note: While the OPM's obligations for identity theft services are believed to be the largest, other federal agencies have also obligated funds for such services.

^aAmount represents obligations related to identity theft services for both of the 2015 breaches, with the first obligation made in June 2015.

Table 20: Area 5 Graduate Medical Education Funding: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 obligations (in millions of dollars)
Centers for Medicare & Medicaid Services (CMS)	Medicare Graduate Medical Education (GME) Payments	Medicare pays for GME training through two mechanisms—direct GME payments and indirect medical education payments—both of which are formula-based payments set by statute. These payments are made to reflect Medicare's share of the hospitals' costs associated with providing GME training.	Not available ^a
CMS	Medicaid GME Payments	While there is no federal requirement for state Medicaid programs to fund GME training, some states have elected to do so, and these expenses are shared by the federal government through federal matching funds. Some states make lump sum supplemental GME payments to eligible providers, while other states make GME payments through add-on adjustments to the state's Medicaid payment rates to eligible providers.	Not available ^b

Appendix VI: Additional Information on Programs Identified

Agency	Program name	Program description	Fiscal year 2017 obligations (in millions of dollars)
Health Resources and Services Administration (HRSA)	Children’s Hospital GME Payment Program	This program was created in 1999 and reauthorized through fiscal year 2018 to support pediatric and pediatric subspecialty GME training in freestanding children’s hospitals.	\$299
HRSA	Teaching Health Center GME Payment Program	This program was established in 2010 and reauthorized through fiscal year 2017 to increase the number of primary care residents who trained in community-based, ambulatory patient care settings.	55 ^c
Department of Veterans Affairs (VA)	VA GME Program	GME training is a statutory requirement of VA to enhance the nationwide supply of health care professionals. This training helps VA recruit and retain staff at its medical facilities. Nearly all of VA’s GME training is conducted through academic affiliations with medical schools and teaching hospitals where residents from those institutions do clinical rotations at VA medical facilities.	1,877 ^d

Source: GAO analysis of Departments of Health and Human Services and VA data. | GAO-18-371SP

^aMedicare direct GME payments and indirect medical education payments are reported annually on hospitals’ Medicare Cost Reports. CMS officials told GAO that it takes about 3 years to ensure the data reported provide a fair representation of payments. Using 2015 Medicare Cost Report data—the most recent, reliable data on the amount of Medicare GME payments at the time of GAO’s analysis—Medicare GME payments totaled \$10.34 billion. The period represented by a hospital’s 2015 Medicare Cost Report generally represents its fiscal year, which can vary by hospital.

^bComprehensive data on Medicaid GME spending are not available from CMS. While state Medicaid agencies report to CMS the aggregate amount of Medicaid supplemental payments for GME training, there are no federal requirements that states or teaching institutions report information about the amount of other payments for GME training, such as payments made through add-on adjustments to the state’s Medicaid payment rates. Instead, GAO collected data on the amount of 2015 Medicaid GME spending using a survey of state Medicaid agencies in 50 states and the District of Columbia. All agencies responded to the survey. GAO found that CMS spent \$2.35 billion on Medicaid GME payments in 2015, which was matched by an additional \$1.83 billion that Medicaid agencies in 45 states spent. Although all states responded to the survey, one state that made Medicaid GME payments did not provide any data on the total amount of payments and four states provided data on some but not all GME payments. In addition, state Medicaid agencies varied in the period for which data were provided. Most states (39) provided data by state fiscal year 2015, which varied by state, while four states provided data for calendar year 2015 and 2 states provided data for federal fiscal year 2015.

^cThe Department of Health and Human Services transferred \$4.5 million from the Prevention and Public Health Fund into this account in fiscal year 2017.

^dThe fiscal year 2017 obligation amount for the VA GME program includes both payments to VA academic affiliates (\$679 million) and the direct and indirect cost of hosting GME activities (\$1.03 billion). Payments to VA academic affiliates cover the salary and benefits of physician residents who rotate to a VA medical center. The direct cost of hosting GME activities primarily consists of physician labor costs (including trainee supervision and education preparation and presentation). Indirect costs include facility overhead, which contains utilities, maintenance, supplies and staffing attributable to the GME program. These costs are not directly comparable to the Veterans Equitable Resource Allocation model indirect education support supplement payments (\$731 million) which are allocated to VA medical centers based on the number of trainees in the local GME program.

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Table 21: Area 6 VA Human Capital Challenges: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 obligations
Department of Veterans Affairs (VA)	Veterans Health Administration (VHA)	VHA operates one of the largest health care systems in the nation, with a mission of providing high-quality medical care to veterans. As of fiscal year 2017, VA was operating an expansive system of health care facilities with about 317,000 employees and 18 Veterans Integrated Service Networks overseeing 170 medical centers and more than 1,000 outpatient facilities.	\$68.53 billion

Source: GAO analysis of VA data. | GAO-18-371SP

Table 22: Area 7 Operating Funds of Selected Boat Stations Recommended for Closure Fiscal Year 2015 Estimated

Agency	Station (district)	Estimated fiscal year 2015 annual operating cost
U.S. Coast Guard	Ashtabula, OH (9)	\$1,031,917
	Frankfort, MI (9)	\$882,816
	Harbor Beach, MI (9)	\$866,247
	Kenosha, WI (9)	\$1,815,684
	Lorain, OH (9)	\$2,417,118
	Ludington, MI (9)	\$910,493
	Oxford, MD (5)	\$1,068,894
	Beach Haven, NJ Seasonal Station (5)	\$1,823,748 ^a
	Fortesque, NJ Seasonal Station (5)	^a
	Shark River, NJ Seasonal Station (5)	^a
	Roosevelt Inlet, DE Seasonal Station (5)	^a
	Wrightsville Beach, NC ^b (5)	\$1,577,217
	Ocracoke, NC Seasonal Station (5)	^c
	Jones Beach, NY (1)	\$2,316,669
	Merrimack River, MA ^d (1)	\$2,094,330
	Scituate, MA Seasonal Station (1)	\$407,891 ^e
Block Island, RI Seasonal Station (1)	\$963,002 ^f	
Fishers Island Seasonal Station, NY (1)	^f	

Source: GAO analysis of Coast Guard data. | GAO-18-371SP

Note: According to the Coast Guard, station operating cost savings would not be equal to total cost savings as some personnel, boats, and equipment would need to be relocated to adjacent stations to address any workload increase they may experience. The Coast Guard is not appropriated by mission or program, but rather by congressionally established appropriations. This appropriation structure supports multimission requirements by allowing the Coast Guard to shift resources across missions in order to meet demand and manage risk. The total includes operating funds associated

Appendix VI: Additional Information on Programs Identified

with each multimission Coast Guard boat station. These figures do not include costs associated with depot maintenance, facilities support, or the Coast Guard's layered command and control structure.

^aA 2013 station optimization study grouped the closure of these stations together and attributed total cost savings for the four stations. The cost per station is a fraction of \$1,823,748. Coast Guard could not provide annual station costs for some seasonally-operated stations.

^bDistrict 5 input identified unique conditions at Wrightsville Beach to keep that station open. As an alternative, district officials identified Seasonal Station Ocracoke as a closure candidate without a reduction in the Coast Guard's ability to meet the Search and Rescue standard. The standard calls for Coast Guard stations to plan to arrive on the scene of Search and Rescue distress cases within their area of responsibility within 2 hours (including up to 30 minutes of preparation prior to launch).

^cWe estimated annual operating costs based on combining two sources because the Coast Guard could not provide details for some stations that operate seasonally and where operating costs are combined with nearby stations. We were unable to obtain station operating costs for some stations.

^dDistrict 1 identified this station as having a unique and irreplaceable capability that adjacent stations did not have—surf boat response—and thus it was important to keep it open.

^eA 2013 station optimization study grouped the closure of this station with another station and attributed total cost savings for the two stations. We estimated an annual operating cost of around \$407,891 for this station by combining information from two Coast Guard sources.

^fA 2013 station optimization study grouped the closure of these stations together and attributed total cost savings for the two stations. The cost per station is a fraction of \$963,002. The Coast Guard could not provide annual station costs for some seasonally operated stations.

Table 23: Area 7 Coast Guard Boat Stations: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2015 obligations
U.S. Coast Guard	Boat station	The Coast Guard operates about 190 multimission boat stations that carry out various missions, such as search and rescue and marine environmental protection.	\$349 million

Source: GAO analysis of Coast Guard data. | GAO-18-371SP

Note: The Coast Guard is not appropriated by mission or program, but rather by congressionally established appropriations. According to the Coast Guard, this appropriation structure supports multimission requirements by allowing the Coast Guard to shift resources across missions in order to meet demand and manage risk. The total includes operating funds associated with each multimission Coast Guard boat station. These figures do not include costs associated with depot maintenance, facilities support, or the Coast Guard's layered command and control structure. The Coast Guard's latest analysis available on these boat stations is from fiscal year 2015.

Table 24: Area 8 National Institute of Standards and Technology Security Program Management: Related Program Information

Agency	Program name	Program description
Department of Commerce	Physical Security Program Personnel Management	Physical security personnel management includes oversight of law-enforcement services, contract-guard services, and personnel security, which includes suitability, screening, and security clearances for employees, foreign nationals, and contractors.
National Institute of Standards and Technology	Physical Security Program Infrastructure Management	Physical security program infrastructure management includes oversight of security systems, access control technology, perimeter security infrastructure, lock management, key management, and badging.

Source: GAO analysis of the Department of Commerce and National Institute of Standards and Technology information. | GAO-18-371SP

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Table 25: Area 9 Reviews of SSA Disability Appeals: Related Program Information

Agency	Program name	Program description
Social Security Administration (SSA), Office of Appellate Operations (OAO), Appeals Council, Disability Branches	Requests for review ^a	Review of decisions appealed by claimants. Conducted continuously.
SSA, Office of the Chief Administrative Law Judge	Regional inline reviews	Review of a random sample of cases in various stages of preparation, including “ready for a hearing” and “draft decision.” Conducted continuously.
SSA, Office of Quality Review	Disability case reviews	Review of a nationally representative sample of decisions. Conducted annually.
SSA, OAO, Appeals Council, Division of Quality	Focused quality reviews	Review of specific subjects, including but not limited to hearing offices, individual judges, subject matters, policies, or procedures. Conducted bimonthly (approximately).
SSA, OAO, Appeals Council, Division of Quality	Random pre-effectuation reviews	Review of a random sample of favorable hearing decisions before they are issued. Conducted continuously.
SSA, OAO, Appeals Council, Division of Quality	Selective pre-effectuation reviews	Review of a random sample of cases with a common characteristic that increases the likelihood of error, conducted before the decision is issued. Conducted annually.

Source: GAO analysis of agency documents. | GAO-18-371SP

^aSSA officials noted that requests for review are not primarily for quality assurance as these are claimant-requested reviews the Appeals Council performs as the final level of administrative review within SSA. SSA uses the results of these reviews to provide feedback and guidance to judges. SSA also measures the quality of a judge’s decisions through this ongoing review of appealed cases. This review results in the agree rate, which reflects the percentage of cases in which the Appeals Council concluded that the Administrative Law Judge’s decisions were supported by substantial evidence and contained no error of law or abuse of discretion.

Table 26: Area 10 Supplemental Security Income: Related Program and Payment Data

Agency	Program name	Program description	December 2017 participant and payment data
Social Security Administration (SSA)	Supplemental Security Income (SSI)	Monthly payments to people who have low incomes, few resources, and are either age 65 or older, blind, or disabled.	In December 2017, SSA made SSI payments to 8.23 million recipients including 1.2 million recipients under age 18. Total payments in that month were \$4.75 billion, including \$811 million to recipients under age 18.

Source: GAO analysis of SSA Monthly Statistical Snapshot. | GAO-18-371SP

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Table 27: Area 11 Combating Wildlife Trafficking: Related Program and Budgetary Information

Interagency effort	Selected agencies involved	Fiscal year 2017 appropriations
Combating wildlife trafficking	Department of State, U.S. Agency for International Development, and U.S. Fish and Wildlife Service in the Department of Interior	\$91 million

Source: GAO analysis of annual appropriations act for fiscal year 2017. | GAO-18-371SP

Table 28: Area 12 High-Containment Laboratories: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 spending (dollars in millions)
Centers for Disease Control and Prevention (CDC)	Federal Select Agent Program	This program is jointly composed of CDC's Division of Select Agents and Toxins and the Animal and Plant Health Inspection Service's (APHIS) Agriculture Select Agent Services. The Federal Select Agent Program oversees the possession, use, and transfer of biological select agents and toxins, which have the potential to pose a severe threat to public, animal, or plant health or to animal or plant products.	\$19.89
Animal and Plant Health Inspection Service (APHIS)	Federal Select Agent Program	The Federal Select Agent Program is jointly composed of CDC's Division of Select Agents and Toxins and APHIS's Agriculture Select Agent Services. The Federal Select Agent Program oversees the possession, use, and transfer of biological select agents and toxins, which have the potential to pose a severe threat to public, animal, or plant health, or to animal or plant products.	7.79

Source: CDC and APHIS responses to GAO questions. | GAO-18-371SP

Note: CDC reported that the final funding allocations for its component of the Federal Select Agent Program were \$19,890,100 in fiscal year 2017. APHIS reported that it obligated \$7,787,865 on select agent activities in fiscal year 2017.

Appendix VI: Additional Information on Programs Identified

Table 29: Area 13 Science, Technology, Engineering, and Mathematics (STEM) Education Programs: Related Program and Budgetary Information

Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
National Aeronautics and Space Administration	Minority University Research and Education Project	31,995,826
	National Space Grant College and Fellowship Project	39,999,988
	STEM Education and Accountability Project	24,844,939
National Science Foundation	Advanced Technological Education	66,040,000
	Advancing Informal STEM Learning	62,500,000
	Alliances for Graduate Education and the Professoriate	8,000,000
	Cultivating Cultures for Ethical STEM	2,670,000
	CyberCorps® Scholarship for Service	49,980,000
	Discovery Research PreK-12	84,300,000
	East Asia & Pacific Summer Institutes for U.S. Graduate Students	1,380,000
	Education and Human Resources Core Research	67,570,000
	Graduate Research Fellowship Program	332,340,000
	Historically Black Colleges and Universities Undergraduate Program	35,010,000
	Improving Undergraduate STEM Education	104,770,000
	Inclusion across the Nation of Communities of Learners of Underrepresented Discoverers in Engineering and Science	13,970,000
	International Research Experiences for Students	5,930,000
	Louis Stokes Alliances for Minority Participation	46,010,000
	National Science Foundation Research Traineeship	55,980,000
	Research Experiences for Teachers in Engineering and Computer Science	6,140,000
	Research Experiences for Undergraduates	97,720,000
	Robert Noyce Teacher Scholarship Program	64,500,000
	STEM + Computing Partnerships	64,370,000
	Tribal Colleges and Universities Program	14,010,000
Nuclear Regulatory Commission	Integrated University Program	15,102,000
	Minority Serving Institutions Program	1,008,285
Department of Agriculture		
Animal and Plant Health Inspection Service	AgDiscovery Program	907,034
	1890 National Scholars Program	0 ^a
National Institute of Food and Agriculture	1890 Institution Teaching, Research and Extension Capacity Building Grants Program	17,457,425

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Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
	Agriculture and Food Research Initiative Education and Literacy Initiative Research and Extension Experiences for Undergraduate Fellowships	4,101,236
	Agriculture and Food Research Initiative Education and Literacy Initiative Professional Development for Secondary School Teacher and Education Professionals	2,000,000
	Agriculture and Food Research Initiative Fellowships (Predoctoral and Postdoctoral) ^b	11,417,025
	Agriculture in the Classroom	398,028
	Distance Education Grants Program for Institutions of Higher Education in Insular Areas	800,000
	Higher Education Challenge Grants Program	4,378,970
	Hispanic Education Partnership Grants	8,840,842
	Multicultural Scholars	936,873
	National Needs Fellowships	336,203
	Secondary Education, Two-Year Postsecondary Education and Agriculture in the K-12 Classroom Grants	852,300
	Resident Instruction Grants Program for Institutions of Higher Education in Insular Areas	1,000,000
	Women and Minorities in Science, Technology, Engineering and Mathematics Fields Grant Program ^b	382,650
Department of Commerce		
National Institute of Standards and Technology (NIST)	NIST Summer Institute for Middle School Science Teachers	200,000
	NIST Graduate Student Measurement Science & Engineering Fellowship Program	640,000
	NIST Summer Undergraduate Research Fellowship Program	1,700,000
National Oceanic and Atmospheric Administration	Bay Watershed Education and Training Program	7,952,700
	Environmental Literacy Program	3,000,000
	Educational Partnership Program with Minority Serving Institutions	14,431,000
	Ernest F. Hollings Scholarship Program	5,830,000
	National Sea Grant College Program (National Sea Grant College Program-Education Component)	904,061
	Teacher at Sea Program	600,000
Department of Defense (DOD)		
Air Force	Air Force K-12 STEM Outreach	3,995,000
	National Defense Science and Engineering Graduate Fellowship	43,905,926
Army	Army Educational Outreach Program	10,220,356
Navy	Science and Engineering Apprentice Program	^c
	SeaPerch	57,000

**Appendix VI: Additional Information on
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Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
	The Naval Research Enterprise Intern Program	c
Secretary of Defense	DOD STARBASE Program	25,000,000
	National Defense Education Program Military Child Pilot Program	13,466,982
	National Defense Education Program K-12	5,512,106
	National Defense Education Program Science, Mathematics and Research for Transformation	33,602,660
Department of Education	Developing Hispanic–Serving Institutions: STEM and Articulation Programs	92,425,366
	Graduate Assistance in Areas of National Need ^d	29,293,000
	Mathematics and Science Partnerships	152,717,000
	Minority Science and Engineering Improvement Program	9,648,000
	Research in Special Education ^d	44,775,891
	Research, Development, and Dissemination ^d	179,032,382
	Strengthening Predominantly Black Institutions ^d	13,905,000
	Upward Bound Math–Science	44,289,274
Department of Energy	Advanced Vehicle Competitions	2,500,000
	American Chemical Society Summer School in Nuclear and Radiochemistry	561,000
	BioenergizeME	300,000
	Collegiate Wind Competition	750,000
	Community College Internships	1,000,000
	Computational Science Graduate Fellowship	11,500,000
	Environmental Management—Minority Serving Institution Partnership Program	5,615,075
	Environmental Management—Traineeship in Robotics	3,000,035
	Hampton University Graduate Studies	50,000
	Industrial Assessment Centers	7,000,000
	Integrated University Program	4,980,486
	Mickey Leland Energy Fellowship Program	700,000
	Minority Educational Student Partnership Program (summer interns)	933,900
	National Nuclear Security Administration—Minority Serving Institutions Partnership Program	16,500,000
	National Science Bowl	2,900,000
	Office of Science Graduate Student Research	2,500,000
	Race to Zero Student Design Competition	472,500
	Radiochemistry Summer School	300,000
	Science and Technology Workforce Development Initiative	1,000,000
	Science Undergraduate Laboratory Internships	8,300,000

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Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
	Solar Decathlon	2,500,000
	Traineeship in Radiochemistry	3,000,000
	Visiting Faculty Program	1,700,000
Department of Health and Human Services		
National Institutes of Health	Aging Research Dissertation Awards to Increase Diversity	451,361
	Blueprint Program for Enhancing Neuroscience Diversity through Undergraduate Research Education Experiences	2,333,036
	Brain Research through Advancing Innovative Neurotechnologies Initiative: Short Courses in Computational Neuroscience	401,280
	Bridges to the Baccalaureate Program	9,549,894
	Bridges to the Doctorate	3,424,610
	Cancer Education Grants Program	10,771,449
	Cancer Research Education Grants Program—Research Experiences	912,361
	Center for Cancer Research Cancer Research Interns	182,232
	Center for Cancer Research/ John Hopkins University Master of Science in Biotechnology Concentration in Molecular Targets and Drug Discovery Technologies	266,976
	Courses for Skills Development in Biomedical Big Data Science	4,356,583
	Drug Abuse Dissertation Research	413,106
	Enriching the Hematology Research Workforce through Short-term Educational Experiences in Emerging Science Research Education Program Grant	311,644
	Graduate Partnerships Program	10,873,246 ^e
	Initiative for Maximizing Student Development	22,442,998
	Initiative to Maximize Research Education in Genomics: Diversity Action Plan	2,995,000
	Innovative Programs to Enhance Research Training	6,761,954
	Intramural National Institute of Allergy and Infectious Diseases Research Opportunities	260,396
	Maximizing Access to Research Careers U-STAR	17,484,652
	Medical Informatics Training Program	900,000
	Mental Health Research Dissertation Grant to Increase Diversity	70,725
National Cancer Institute Predoctoral to Postdoctoral Fellow Transition Award (F99 portion only)	1,366,103	
National Institute of Allergy and Infectious Diseases Division of Intramural Research Office of Training and Diversity Sponsorship Program	561,778	
National Institute of Allergy and Infectious Diseases Division of Intramural Research Office of Training and Diversity Summer Diversity Program	14,106	

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Programs Identified**

Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
	National Institute of Diabetes and Digestive and Kidney Diseases Research Education Program Grants for Summer Research Experiences	1,200,000
	National Institute of Mental Health Mentoring Networks for Mental Health Research Education	786,789
	National Institute of Mental Health Research Education Mentoring Programs for HIV/AIDS Research	2,812,201
	National Institute of Mental Health Short Courses for Mental Health-Related Research Education	1,416,275
	National Institute of Neurological Disorders and Stroke Neuroscience Development for Advancing the Careers of a Diverse Research Workforce	1,020,046
	National Institute of Nursing Research Summer Genetics Institute	65,000
	National Institute on Aging Medicine, Science, Technology, Engineering and Mathematics: Advancing Diversity in Aging Research through Undergraduate Education	4,248,443
	National Library of Medicine Institutional Training Grants for Research Training in Biomedical Informatics and Data Science	12,672,914
	NIH Big Data to Knowledge Enhancing Diversity in Biomedical Data Science	673,730
	NIH Building Infrastructure Leading to Diversity Initiative (RL5 portion only)	10,480,823
	NIH Building Infrastructure Leading to Diversity Initiative (TL4 portion only)	16,427,440
	Postbaccalaureate Intramural Research Training Award Program	32,642,180 ^e
	Postbaccalaureate Research Education Program	11,193,892
	Research Education Grants for Statistical Training in the Genetics of Addiction	505,160
	Research Initiative for Scientific Enhancement	27,291,181
	Research Supplements to Promote Diversity in Health-Related Research	35,956,662
	Ruth L. Kirschstein National Research Service Award Institutional Research Training Grants (T32, T35, T90, TL1)	295,884,161
	Ruth L. Kirschstein National Research Service Award for Individual Predoctoral Fellows, including Underrepresented Racial/Ethnic Groups and Students from Disadvantaged Backgrounds	78,108,710
	Science Education Drug Abuse Partnership Award	483,000
	Science Education Partnership Award	18,541,000
	Short Courses on Mathematical, Statistical, and Computational Tools for Studying Biological Systems	2,416,584
	Short-Term Research Education Program to Increase Diversity in Health-Related Research	4,574,028
	Short-Term Research Experience for Underrepresented Persons (R25)	14,588,697
	Student Intramural Research Training Award Program	7,276,883 ^e
	Summer Institute for Research Education in Biostatistics	1,470,346
	Summer Research Education Experience Programs	3,620,084

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Agency	Program name	Reported fiscal year 2016 STEM education program obligations (in dollars)
	Team-Based Design in Biomedical Engineering Education	615,518
	Training in Computational Neuroscience: From Biology to Model and Back Again (R90 portion only)	865,048
	Undergraduate Research Education Program to Enhance Diversity in the Environmental Health Sciences	645,215
	Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds	2,249,743
	Undergraduate Summer Institutes in Kidney, Urologic and Hematologic Diseases (R25)	621,600
Department of Homeland Security		
Science and Technology Directorate	Homeland Security STEM Summer Internship Program	500,000
	Minority Service Institutions—Scientific Leadership Awards	3,600,000
	Minority Service Institutions—Summer Research Team	500,000
Department of the Interior		
U.S. Geological Survey	Education Component of the National Cooperative Geologic Mapping Program	419,438
	National Association of Geoscience Teachers—USGS Cooperative Summer Field Training Program	208,000
	Student Intern in Support of Native American Relations	68,738
Bureau of Indian Affairs	Bureau of Indian Affairs, Office of Trust Services, Pathways Internship Program	475,082
	Science Post Graduate Scholarship Fund	2,450,000
Department of Transportation		
Office of the Secretary of Transportation	University Transportation Centers Program	67,700,000
Federal Aviation Administration	Joint University Program	250,000
Federal Highway Administration	Garrett A. Morgan Technology and Transportation Education Program	332,150
	National Summer Transportation Institute	2,620,293
	Summer Transportation Internship Program for Diverse Groups	1,300,000
Environmental Protection Agency (EPA)	Cooperative Training in Environmental Sciences Research	532,768
	Environmental Education Grants Program	3,306,600
	Environmental Research Training Grant (University of Cincinnati/EPA Research Training Grant)	175,000
	National Environmental Education Program	2,175,500
	People, Prosperity, and Planet Award: National Student Design Competition for Sustainability	223,795
	President's Environmental Youth Award	80,000

Source: GAO questionnaire of STEM education programs. | GAO-18-371SP

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Note: Amounts obligated for each program for fiscal year 2016 were reported to us by program officials in response to our questionnaire. GAO did not independently verify this information.

^aThis program has not obligated any funds to the public. It is a share-cost program supported by Department of Agriculture agencies.

^bDepartment of Agriculture officials reported two programs as STEM education for 2016 that they had not reported previously for 2010, despite being funded then.

^cDepartment of Defense officials reported a combined obligation amount for these two programs: \$2,216,482.

^dAccording to Department of Education officials, these programs also support a wide variety of non-STEM-related fields and activities.

^eAccording to Health and Human Services officials, obligations for these programs are estimates.

Table 30: Area 14 Foreign Currency Fluctuation: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 account balance
Department of Defense	Foreign Currency Fluctuation, Defense Account	The purpose of this account is to maintain the budgeted level of operations in the Military Personnel and Operation and Maintenance appropriations by mitigating substantial losses to those appropriations caused by foreign currency rate fluctuations.	\$970 million

Source: GAO analysis of Department of Defense Information. | GAO-18-371SP

Table 31: Area 15 Supply Operations at Military Depots: Related Program Information

Agency	Program name	Program description
Department of Defense, Army Materiel Command	Army Working Capital Fund, Industrial Operations	Five maintenance depots—Anniston, Alabama; Corpus Christi, Texas; Letterkenny, Pennsylvania; Red River, Texas; and Tobyhanna, Pennsylvania—repair and overhaul of a wide range of vehicles and other military assets, including helicopters, combat vehicles, and air defense systems. The Army largely retains the management of its retail supply functions at the depots.
Department of Defense, Naval Sea Systems Command	Navy Shipyards	The four shipyards—Norfolk Naval Shipyard in Virginia; Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility in Hawaii; Portsmouth Naval Shipyard in Maine; and Puget Sound Naval Shipyard and Intermediate Maintenance Facility in Washington—provide depot- and intermediate-level maintenance on ships and submarines. The shipyards continue to use the same retail supply, storage, and distribution processes and Navy information systems that existed prior to the nominal transfer of the functions to the Defense Logistics Agency.

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Agency	Program name	Program description
Department of Defense, Marine Corps Logistics Command	Marine Corps Working Capital Fund, Depot Maintenance	The Marine Corps depots—Albany, Georgia, and Barstow, California—perform depot maintenance functions to ensure repair, overhaul, and timely upgrades of the right types and quantities of weapons systems and support equipment. The Marine Corps largely retains the management of its retail supply functions at the depots.
Department of Defense, Defense Logistics Agency (DLA)	DLA Working Capital Fund, Supply Chain Management	DLA procures, stores, and distributes approximately 6.2 million consumable items—those that are normally expended or intended to be used up beyond recovery or repair—and provides these items to the services when requisitioned in support of approximately 2,400 weapon systems. DLA fully manages consumable items at the retail level for Air Force and Navy aviation depots, but does not for the Army and Marine Corps depots and the Navy shipyards. At the Air Force and Navy aviation depots, DLA personnel are largely co-located with the actual maintenance activities at the sites and use DLA’s business processes and expertise to manage the supply, storage, and distribution of DLA-managed inventory.

Source: GAO analysis of Department of Defense documentation. | GAO-18-371SP

Table 32: Area 16 Fiscal Management of the Universal Service Fund: Related Program and Net Position

Agency	Program name	Program description	Fiscal year 2017 net position^a
Federal Communications Commission (FCC)	Universal Service Fund (USF)	Universal service is the principle that all Americans should have access to communications services. By law, carriers providing interstate and international telecommunications services must contribute to federal universal service, unless exempted by FCC. These contributions, or fees, are to be equitable and nondiscriminatory and are to be deposited into USF.	\$7.157 billion

Source: GAO analysis of FCC documents. | GAO-18-371SP

^aNet position is the difference between assets and liabilities.

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Table 33: Area 17 DOE’s Treatment of Hanford’s Low-Activity Waste: Comparisons of Total Estimated Costs for Grouting Low-Activity Waste (LAW) at the Savannah River Site and Vitrifying LAW at the Hanford Site, Based on Best Available Information (dollars in millions)

	Savannah River Site	Hanford Site		Total
	Existing and new salt waste processing facilities	LAW treatment facility	Vitrification facility for supplemental LAW ^a	
Estimated cost to construct treatment facilities	\$2,700	\$6,500 ^b	\$6,500	\$13,000
Estimated cost to treat LAW	\$2,800	\$20,000 ^c	\$20,000	\$40,000
Total estimated cost	\$5,500			\$53,000
Total LAW (gallons) ^d	36 million			49 million
Estimated average cost per gallon of LAW treated	\$153/gallon			\$1,081/gallon

Source: GAO analysis of Department of Energy (DOE) data and interviews. | GAO-18-371SP

Notes: All costs and cost estimates in this table are presented in 2015 dollars. In addition, the estimates for both sites do not include costs to dispose of the treated waste. GAO did not evaluate whether the grouted waste form at the Savannah River Site would meet Washington State’s hazardous waste management requirements. Further, because DOE does not have complete information on the costs of various treatment options, nor has it precisely specified the treatment options it will pursue, GAO’s analysis is based on the best information it could obtain. In particular, the precise costs of vitrifying Hanford’s LAW are not known. To the extent possible, GAO corroborated estimated costs with available budget documents, DOE reports, and DOE officials. Because some of DOE’s estimated costs were approximations, GAO conducted a sensitivity analysis by examining the cost-per-gallon difference between the Hanford and Savannah River Sites under different scenarios. This helped GAO assess how, if at all, imprecise information could affect the results of this comparison. For example, if DOE operated Hanford’s LAW treatment facility and a vitrification facility for supplemental LAW for 20 years, rather than its projected 39 years—which would cost about \$10 billion in total—DOE’s costs would be about \$673 per gallon. In this scenario, DOE’s costs per gallon to vitrify all of Hanford’s LAW would still be about four times the costs to grout the Savannah River Site’s LAW.

In addition, DOE uses the term “low-activity waste” to mean the waste that remains after as much radioactivity as technically and economically practical has been separated from tank waste that, when solidified, may be disposed of as low-level radioactive waste in a near-surface facility. At its Savannah River Site, DOE refers to the low-activity portion of its waste as low-level waste or “salt waste.” For the purpose of this review, GAO refers to the low-activity portion of the waste at both the Hanford and Savannah River Sites as LAW.

^aDOE has not yet made a decision on how it will treat supplemental LAW. However, DOE’s current life-cycle estimate assumes that a second LAW vitrification facility will be built and operated with the same technical assumptions as the first one.

^bUntil 2016, DOE had estimated that construction of the LAW facility would cost \$1.4 billion. According to DOE’s December 2016 estimates, additional modifications to DOE’s approach to treating LAW have added \$4.8 billion. In addition, DOE is building a new \$316 million facility to prepare the tank waste before it is brought into the LAW treatment facility (\$6.5 billion total). However, although available information indicates that it will cost \$6.5 billion to construct the facilities needed for LAW treatment, DOE estimated in a March 2017 internal monthly status report that the direct feed LAW approach—which encompasses the Waste Treatment Plant LAW facility and other infrastructure needed for treating the initial portion of LAW—will cost \$8.3 billion. GAO did not include this higher figure in the estimated construction costs because it was unable to review the source documents associated with it. Nevertheless, if the cost to construct the facilities needed for LAW treatment is \$8.3 billion, this will increase the cost-per-gallon figure for vitrifying LAW.

^cDOE does not have an estimate for the cost to treat LAW. However, according to contractor estimates, the cost for commissioning and operating the LAW facility and associated support systems is currently estimated at about \$600 million per year (\$530 million when adjusted for inflation). DOE is

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currently planning to begin operating the facility in 2022, and treatment is not expected to finish until 2061 (39 years) (about \$20 billion total).

^dThese figures reflect the total amount of waste previously treated and currently stored in the tanks. However, the total amount of waste treated will be significantly higher because the waste will need to be diluted before it can be treated.

Table 34: Area 17 DOE’s Treatment of Hanford’s Low-Activity Waste: Related Program and Budgetary Information

Agency	Program description	Fiscal year 2016 obligations
Department of Energy (DOE)	DOE oversees the treatment and disposal of about 54 million gallons of radioactive tank waste from the nation’s nuclear weapons program at the Hanford Site in Hanford, Washington.	\$692 million ^a

Source: GAO analysis of Department of Energy budget information. | GAO-18-371SP

^aIn fiscal year 2016, the DOE obligated \$692 million for the Waste Treatment Plant, which is the department’s current planned approach to treating Hanford’s high-level tank waste and a portion of its low-activity tank waste.

Table 35: Area 18 Employment Taxes: Related Program Information

Agency	Program name	Program description
Department of the Treasury/Internal Revenue Service (IRS)	National Research Program Employment Tax Study	Taxes withheld by employers from payments to their employees are a significant portion of federal revenue. In fiscal year 2016, of such taxes remitted by employers, almost \$1.274 trillion came from income tax liabilities, \$1 trillion came from Social Security and Medicare employment tax liabilities, and \$8 billion from unemployment insurance tax liabilities. In April 2016, IRS estimated the gross employment tax gap (the difference between taxes owed and paid voluntarily on time) for tax years 2008 to 2010 to be \$16 billion, or about 3.5 percent of the total estimated gross tax gap. The gross employment tax gap was due to taxpayers underreporting employment taxes that employers are to withhold and remit to cover liabilities for income tax, Social Security, Medicare, and federal unemployment insurance.

Source: GAO. | GAO-18-371SP

Table 36: Area 19 Tax Fraud and Noncompliance: Related Program Information

Agency	Program name	Program description
Department of the Treasury/Internal Revenue Service	Refund Fraud	Prevents refund fraud, including identity theft refund fraud, and provides assistance to identity theft victims.

Source: GAO. | GAO-18-371SP

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Table 37: Area 20 Premium Tax Credit Improper Payments: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 obligations
Department of the Treasury/Internal Revenue Service	Premium assistance tax credit	To help pay the cost of insurance premiums for taxpayers and their dependents, the Patient Protection and Affordable Care Act provides a premium tax credit to individuals who meet certain income and other requirements. The credit can be paid in advance to the taxpayer's insurance company to lower the monthly premium payments, or it can be claimed when a taxpayer files their income tax return for the year. If the credit is paid in advance, the taxpayer must reconcile the advance credit payments with the actual credit to which they are entitled computed on the tax return, subject to certain caps.	\$35.029 billion

Source: Budget of the U.S. Government, fiscal year 2019. | GAO-18-371SP

Table 38: Area 21 VA Medical Supplies Procurement: Related Program and Expenditure Information

Agency	Program name	Program description	Reported Expenditures (December 2016 to February 2018)
Department of Veterans Affairs (VA)	Medical Surgical Prime Vendor-Next Generation	The Medical Surgical Prime Vendor-Next Generation program is VA's primary means for purchasing supplies, such as bandages and scalpels, for all VA medical centers to meet the health care needs of about 7 million veterans. The program includes hundreds of new contracts with individual supply vendors and a new set of prime vendor contracts to distribute the supplies.	\$408 million

Source: GAO analysis of Department of Veterans Affairs documentation. | GAO-18-371SP

Table 39: Area 22 Bureau of Prisons Health Care Costs: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 obligations
Federal Bureau of Prisons (BOP)	Medical Services, Drug Treatment, and Psychology Services	BOP delivers medical and dental health care services to all inmates housed in BOP institutions; provides treatment to inmates with a diagnosed drug use disorder; and provides mental health treatments to inmates with mental health needs.	\$1.370 billion

Source: GAO analysis of the Bureau of Prisons Congressional Budget Justification. | GAO-18-371SP

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Table 40: Area 23 Railroad Retirement Board Continuing Disability Reviews: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2017 total costs
Railroad Retirement Board	Railroad Retirement Act Program	The Railroad Retirement Program provides retirement, survivor, and disability benefits to railroad workers and their families.	\$12.7 billion

Source: GAO analysis of Railroad Retirement Board Performance and Accountability Report, Fiscal Year 2017. | GAO-18-371SP

Note: Continuing disability reviews are one of several disability-related activities that the Railroad Retirement Program oversees.

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