

GAO Highlights

Highlights of [GAO-20-336](#), a report to congressional addressees

Why GAO Did This Study

Improper payments, estimated at almost \$175 billion for fiscal year 2019, are a significant problem in the federal government. IPIA and OMB guidance directs agencies to analyze the root causes of improper payments and develop corrective actions to reduce improper payments. This report examines (1) actions that agencies took to identify root causes of improper payments for selected programs, (2) the extent to which their corrective action plans correspond to identified root causes, and (3) the extent to which they monitored progress and evaluated the effectiveness of corrective actions.

GAO analyzed corrective action plans reported in fiscal year 2018 for the following eight programs: Department of Education’s Direct Loan and Pell Grant; HHS’s Children’s Health Insurance Program; SSA’s Old Age, Survivors, and Disability Insurance and Supplemental Security Income; Treasury’s EITC; USDA’s SNAP; and VA’s Prosthetic and Sensory Aids Service. GAO selected these programs based, in part, on those programs with at least \$1 billion in fiscal year 2018 improper payment estimates.

What GAO Recommends

GAO is making seven recommendations: one each to Education, HHS, and SSA and two each to USDA and Treasury to improve their processes for addressing root causes of improper payments and measure their effectiveness. In their responses, SSA agreed, USDA generally agreed, Education and Treasury neither agreed nor disagreed, and HHS disagreed with GAO’s respective recommendation(s). GAO clarified four recommendations and continues to believe all the recommendations are valid.

View [GAO-20-336](#). For more information, contact Beryl H. Davis at (202) 512-2623 or davisbh@gao.gov.

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PAYMENT INTEGRITY

Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments

What GAO Found

Five out of six agencies used their improper payment estimation results to identify the root causes for the eight programs GAO reviewed. However, the Department of the Treasury (Treasury) used 2006 through 2008 taxpayer data to identify root causes of fiscal year 2018 Earned Income Tax Credit (EITC) improper payments. Without timely data on the true root causes of EITC improper payments, Treasury will lack quality information needed to develop appropriate corrective actions to reduce them.

In addition, only one agency we reviewed—the Department of Veterans Affairs (VA)—adhered to relevant Improper Payments Information Act of 2002, as amended (IPIA), requirements and Office of Management and Budget (OMB) guidance. The Department of Agriculture (USDA) and Treasury did not develop agency corrective action plans corresponding to the identified root causes of improper payments for the Supplemental Nutrition Assistance Program (SNAP) and EITC, respectively. In addition, the remaining three agencies did not have processes in place to either establish planned completion dates, monitor progress, or measure the effectiveness of their corrective actions in reducing improper payments.

Agency Monitoring and Evaluation of Corrective Action Plans for Selected Programs

Program	Did agency establish planned completion dates?	Did agency annually monitor progress?	Did agency annually measure effectiveness?
Supplemental Nutrition Assistance Program	N/A	N/A	N/A
Direct Loan	✓	✓	X
Pell Grant	✓	✓	X
Children’s Health Insurance Program ^a	X	✓	X
Earned Income Tax Credit	N/A	N/A	N/A
Prosthetic and Sensory Aids Service	✓	✓	✓
Old Age, Survivors, and Disability Insurance ^b	X	X	X
Supplemental Security Income ^b	X	X	X

Legend: ✓ = yes; X = no; N/A = not applicable as agency did not develop corrective actions corresponding to identified root causes of improper payments for the selected programs.

Source: GAO analysis of agencies’ corrective action plans and processes. | GAO-20-366

^aThe Department of Health and Human Services (HHS) did not have documented procedures for its corrective action plan process.

^bSubsequent to our review, the Social Security Administration (SSA) implemented new procedures, including directives to establish planned completion dates and monitor progress.

Unless agencies develop corrective action plans that correspond to root causes of improper payments and implement processes to monitor progress and measure their effectiveness, their ability to ensure that their efforts will reduce improper payments will be limited.