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

Office of Inspector General

May 11, 2016

MEMORANDUM

TO: Committee on Homeland Security & Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510

Committee on Oversight and Government Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515

Honorable Jenny R. Yang, Chair
U.S. Equal Employment Opportunity Commission
131 M St. NE
Washington, DC 20507

Beryl H. Davis
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, NW, Room 5490
Washington, DC 20548

Honorable David Mader
Controller, Office of Federal Financial Management
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT**:** U.S. Equal Employment Opportunity Commission's FY 2015 Compliance with the Improper Payments Information Act (IPIA), as amended by the Improper Payments Elimination and Recovery Act P.L. 111-204 (IPERA), and the Improper Payments Elimination and Recovery Improvement Act P.L. 112-248 (IPERIA)

The IPERIA requires agencies and entities, such as the U.S. Equal Employment Opportunity Commission (EEOC), with improper payment estimates that do not meet the statutory thresholds to report an estimate of the annual amount and rate of improper payments, as well as reduction targets in their annual Agency Financial Reports (AFRs) or Performance and Accountability Reports (PARs) per M-15-02 Part IA 9 Step 4c (page 16). These agencies also are required to conduct a risk assessment to identify programs/activities that may be susceptible to significant improper payments. If an agency determines that it is not at high risk for significant improper payments, then risk assessments are required every 3 years. If no programs are at risk for significant improper payments, the other requirements on annual reduction targets, corrective action plans, etc. are not applicable. Additionally, small agencies should have a payment recapture program in place.

Based on our findings, we determined the agency has complied with the Improper Payments Information Act (IPIA), as amended by IPERIA. To satisfy our reporting requirements[1], we communicated with the agency's Chief Financial Officer (CFO) to determine whether a risk assessment was conducted to identify programs/activities in the agency that may be susceptible to significant improper payments and whether the agency has a payment recapture program in place. The CFO indicated that the agency conducted an agency-wide risk assessment via a statistical sampling of vendor and travel payments in FY 2015. Additionally, the agency relied on the results of the FY 2015 financial statement audit, which did not uncover duplicate/improper payments, and agency internal controls in place relating to payments. The CFO concluded that the agency is not at risk for significant improper payments and determined that there were no significant improper payments made during FY 2015. The agency plans to continue performing in house-risk assessments. As a result of the CFO's response, the requirement for annual reduction targets, corrective action plans, etc., is not applicable. Additionally, in regard to having a payment recapture program in place, the CFO indicated that if any improper payments arise in the future, the agency will establish an accounts receivable and follow the procedure of collection. The agency has a process in place to refer all valid debts for collection through the U.S. Department of Treasury's FedDebt system. Further, both the FY 2015 Financial Statement Audit and the agency's Performance and Accountability Report (PAR) are posted on the agency's website.

Willie A. Eggleston, Senior Auditor is available to answer any questions regarding our review and determination. He may be reached at (202) 663-4372 or by email at willie.eggleston@eeoc.gov.

cc: Cynthia Pierre, Chief Operating Officer
Mona Papillon, Deputy Chief Operating Officer

[1] OMB Memorandum 15-02 Appendix C to Circular A-123, *Requirements for Effective Estimation and Remediation of Improper Payments* states that Inspectors General should review the agency's AFR or PAR (and any accompanying information) for the most recent fiscal year to determine compliance under IPERA. There are six requirements that an agency must meet to be in compliance with the IPIA. Among these are that agencies must publish an AFR or PAR and conduct program specific risk assessments if required.