April 30, 2018

The Honorable Ron Johnson
Chairman
Committee on Homeland Security and Governmental Affairs
United States Senate
Washington, D.C. 20510

The Honorable Trey Gowdy
Chairman
Committee on Oversight and Government Reform
United States House of Representatives
Washington, D.C. 20515

Dear Chairmen:

I am writing pursuant to the Improper Payments Elimination and Recovery Act (IPERA), which requires Offices of Inspectors General to determine agency compliance with the Act. We determined that the National Science Foundation (NSF) met the IPERA requirements for FY 2017.

According to Office of Management and Budget guidance, an agency is required to meet six specific requirements to comply with IPERA, as applicable. We note NSF’s compliance with those requirements in the following table:

<table>
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<tr>
<th>OMB M-15-02 Requirements</th>
<th>NSF Complied</th>
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<tbody>
<tr>
<td>1) Publish an Agency Financial Report (AFR) for the most recent fiscal year and post that report and any accompanying materials on the agency website.</td>
<td>Yes</td>
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<tr>
<td>2) Conduct a program-specific risk assessment for each program or activity that conforms with Section 3321 note of Title 31 U.S.C. (if required).</td>
<td>N/A</td>
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<tr>
<td>3) Publish improper payment estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment (if required).</td>
<td>N/A</td>
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<td>4) Publish programmatic corrective action plans in the AFR (if required).</td>
<td>N/A</td>
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<td>5) Publish and meet annual reduction targets for each program assessed to be at risk and estimated for improper payments (if required and applicable).</td>
<td>N/A</td>
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<tr>
<td>6) Report a gross improper payment rate of less than 10 percent for each program or activity for which an improper payment estimate was obtained and published in the AFR.</td>
<td>N/A</td>
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</tbody>
</table>
IPERA requires agencies to perform a risk assessment at least once every 3 years for programs deemed to be at low risk for significant improper payments. Because NSF’s FY 2015 IPERA risk assessment found that the agency was not susceptible to significant improper payments, NSF was not required to perform a risk assessment or to report its improper payment estimates or gross improper payment rate in FY 2017. NSF’s next risk assessment will be completed in FY 2018.

We confirmed that NSF published an AFR for the most recent fiscal year and posted that report and any required accompanying materials on the agency website (https://www.nsf.gov/publications/pub_summ.jsp?ods_key=af).

If you have any questions concerning this matter, please contact me at (703) 292-7011; alternatively, you may contact Lisa Vonder Haar, Chief of Staff, at (703) 292-2989.

Sincerely,

Allison Lerner
Inspector General