

# APPENDIX A

## Improper Payments Information Act, as Amended, Reporting Details

The Improper Payments Information Act of 2002 (IPIA), as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA), requires agencies to annually report certain information on improper payments to the President and Congress through their annual Agency Financial Report or Performance and Accountability Report.<sup>1</sup> The Department provides the following improper payments reporting details as required by the IPIA, as amended; implementing guidance in OMB Circular A-123, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*; and IPIA reporting requirements in OMB Circular A-136, *Financial Reporting Requirements*.

**Item I. Risk Assessment. Briefly describe the risk assessment performed (including the risk factors examined, if appropriate) subsequent to completing a full program inventory. List the risk-susceptible programs (i.e., programs that have a significant risk of improper payments based on statutory thresholds) identified by the agency risk assessment. Highlight any changes to the risk assessment methodology or results that occurred since the FY 2012 IPIA report.**

In accordance with the IPIA, as amended, and OMB implementing guidance, the Department assessed its programs and activities for susceptibility to significant improper payments. The Department's top-down approach for assessing the risk of significant improper payments allows for the analysis and reporting of results by the Department's five mission-aligned programs – Law Enforcement; Litigation; Prisons and Detention; State, Local, Tribal, and Other Assistance; and Administrative, Technology, and Other. The approach promotes consistency across the Department in implementing the expanded requirements of the IPIA, as amended.

In FY 2013, the Department disseminated an updated risk assessment survey instrument for Departmental components to use in conducting the required risk assessment. The instrument examined disbursement activities against nine risk factors, such as payment volume and process complexity, and covered commercial payments, custodial payments, benefit and assistance payments, and grants and cooperative agreements.<sup>2</sup>

The Department's risk assessment methodology for FY 2013 did not change from FY 2012. For FY 2013, the methodology again included assessing risk against various risk factors and for various payment types. In addition, the results of the FY 2013 risk assessment did not change from FY 2012. For FY 2013, the Department-wide risk assessment again determined there were no programs susceptible to significant improper payments, i.e., improper payments exceeding the thresholds of (1) both 2.5 percent of program outlays and \$10 million or (2) \$100 million.

In FY 2013, the Department received approximately \$20 million of funding under the Disaster Relief Appropriations Act of 2013 (Disaster Relief Act). The Disaster Relief Act provides that all programs and activities receiving funds under the Act shall be deemed to be susceptible to significant improper payments for purposes of IPIA reporting, regardless of any previous improper payment risk assessment results. In

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<sup>1</sup> A more recent law, the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), also amended the IPIA. The new reporting requirements from the IPERIA are effective beginning in FY 2014; therefore, the Department will begin addressing them in its IPIA reporting for FY 2014.

<sup>2</sup> The nine risk factors examined during the risk assessment were Policies and Procedures; Results of OMB Circular A-123 Assessment, OIG Audits/Reviews, and Other External Audits/Reviews; Corrective Actions; Results of Monitoring Activities; Results of Recapture Audit Activities; Process Complexities; Volume and Dollar Amount of Payments; Control Risk; and Capability of Personnel.

accordance with the OMB implementing guidance, the Department will begin reporting on the risk-susceptible funding in the Department's IPIA reporting for FY 2014.

**Item II. Statistical Sampling. Any agency that has programs or activities that are susceptible to significant improper payments shall briefly describe the statistical sampling process conducted to estimate the improper payment rate for each program identified with a significant risk of improper payments. Highlight any changes to the statistical sampling process that have occurred since the FY 2012 IPIA report.**

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments. This remains unchanged from FY 2012. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, which the Act deemed to be susceptible to significant improper payments, the Department will begin reporting on the funding in the Department's IPIA reporting for FY 2014 in accordance with the OMB implementing guidance.

**Item III. Corrective Actions. Any agency that has programs or activities that are susceptible to significant improper payments shall describe the corrective action plans for:**

- A. Reducing the estimated improper payment rate and amount for each type of root cause identified. Agencies shall report root cause information (including error rate and error amount) based on the following three categories: Documentation and Administrative errors, Authentication and Medical Necessity errors, and Verification errors. This discussion must include the corrective actions, planned or taken, most likely to significantly reduce future improper payments due to each type of error an agency identifies, the planned or actual completion date of these actions, and the results of the actions taken to address these root causes. If efforts are ongoing, it is appropriate to include that information in this section and highlight current efforts, including key milestones. Agencies may also report root cause information based on additional categories, or sub-categories, of the three categories listed above, if available.**

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, which the Act deemed to be susceptible to significant improper payments, the Department will begin reporting on the funding in the Department's IPIA reporting for FY 2014 in accordance with the OMB implementing guidance.

- B. Grant-making agencies with risk-susceptible grant programs shall briefly discuss what the agency has accomplished in the area of funds stewardship past the primary recipient. Discussion shall include the status of projects and results of any reviews.**

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments, to include grant programs. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, none was for grant programs.

#### Item IV. Improper Payments Reporting.

- A. Any agency that has programs or activities that are susceptible to significant improper payments must provide the following information in a table:
- all risk-susceptible programs must be listed whether or not an error measurement is being reported;
  - where no measurement is provided, the agency should indicate the date by which a measurement is expected;
  - if the Current Year (CY) is the baseline measurement year, and there is no Previous Year (PY) information to report, indicate by either “Note” or “N/A” in the PY column;
  - if any of the dollar amounts included in the estimate correspond to newly established measurement components in addition to previously established measurement components, separate the two amounts to the extent possible;
  - agencies are expected to report on CY activity or, if not feasible, PY activity is acceptable if approved by OMB. Agencies should include future year outlay and improper payment estimates for CY+1, +2, and +3 (future year outlay estimates should match the outlay estimates for those years as reported in the most recent President’s Budget).

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, which the Act deemed to be susceptible to significant improper payments, the Department will begin reporting on the funding in the Department’s IPIA reporting for FY 2014 in accordance with the OMB implementing guidance.

- B. Agencies should include the gross estimate of the annual amount of improper payments (i.e., overpayments plus underpayments) and should list the total overpayments and underpayments that make up the current year amount. In addition, agencies are allowed to calculate and report a second estimate that is a net total of both overpayments and underpayments (i.e., overpayments minus underpayments). The net estimate is an additional option only and cannot be used as a substitute for the gross estimate.

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, which the Act deemed to be susceptible to significant improper payments, the Department will begin reporting on the funding in the Department’s IPIA reporting for FY 2014 in accordance with the OMB implementing guidance.

#### Item V. Recapture of Improper Payments Reporting.

- A. An agency shall discuss payment recapture audit (or recovery audit) efforts, if applicable. The discussion should describe the agency’s payment recapture audit program, the actions and methods used by the agency to recoup overpayments, a justification of any overpayments that have been determined not to be collectable, and any conditions giving rise to improper payments and how those conditions are being resolved (e.g., the business process changes and internal controls instituted and/or strengthened to prevent further occurrences). If the agency has excluded any programs or activities from review under its payment recapture audit program (including any programs or activities where the agency has determined a payment recapture audit program is not cost-effective), the agency should list those programs and activities excluded from the review, as well as the justification for doing so. Include in the discussion the dollar amount of cumulative recoveries collected beginning with FY 2004.

The Department’s payment recapture audit program is part of its overall program of internal control over disbursements. The program includes establishing and assessing internal controls to prevent improper payments, reviewing disbursements to identify improper payments, assessing root causes of improper payments, developing corrective action plans, and tracking the recovery of improper payments and disposition of recovered funds. The Department’s top-down approach for tracking and reporting the

results of recapture audit activities promotes consistency across the Department in implementing the expanded requirements of the IPIA, as amended. In FY 2013, the Department provided components an updated template to assist them in assessing root causes of improper payments and tracking the recovery of such payments and disposition of recovered funds.

The root causes for overpayments other than for grants largely fell within the OMB-defined error category of Documentation and Administrative, as most errors were user errors, to include data entry errors. Departmental components have implemented actions to address specific areas where improvements could be made. For example, to prevent improper payments, the Drug Enforcement Administration (DEA) conducts data analytics on payment data entered into the Unified Financial Management System (UFMS) prior to processing disbursements to identify payments that, if processed, would be improper, e.g., payments to ineligible recipients, payments for ineligible services, and duplicate payments. To reduce data entry errors, the Federal Bureau of Investigation (FBI) increased its use of electronic billing and consolidation of invoices.

The root causes for grant overpayments also largely fell within the Documentation and Administrative error category, as most involved payments for which grantees did not provide sufficient documentation to support the payments. To reduce the risk of these types of overpayments, the Department's components that issue grants expanded training and communications informing grantees of their responsibilities related to receiving Federal awards. For example, the Office of Justice Programs (OJP) requires all grantees responsible for improper payments to submit written policies and procedures describing the internal controls put in place to prevent similar occurrences in the future.

Departmental components also have taken actions to facilitate the recovery of improper payments. For example, the FBI produces an accounts receivable report to track the age and collection efforts for all uncollected improper payments. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) issues demand letters to debtors notifying them of the status of the debt, the date payment is due, where to send payment, and the collection actions the ATF can pursue to recover the debt.

In FY 2013, approximately \$3.76 million of overpayments were determined not to be collectable. The vast majority of this amount, \$3.69 million or 98 percent, was due to lengthy resolution efforts concluding that four grantees were unable to repay the full amount of overpayments due to fiscal distress. One grantee had gone out of business, and the other three grantees have been restricted from receiving new grant awards for the period of time set forth in policy pertaining to such matters.

The Department excluded employee disbursements and intra-governmental payments from the scope of its payment recapture audit program in accordance with the IPIA, as amended, and OMB implementing guidance applicable for FY 2013. The Department also excluded payments to confidential informants because of its responsibility to protect sensitive law enforcement information.

In accordance with the IPIA, as amended, and OMB implementing guidance, the Department measured payment recapture performance. Based on performance through the period ended September 30, 2013, the Department achieved a payment recovery rate of 89 percent for the cumulative period of FYs 2004 through 2013, and an annual recovery rate of 82 percent for FY 2013. Table 1B provided later in this section provides additional detail on the approximate \$62.5 million in improper payments identified in FYs 2004 through 2013 and the approximate \$55.6 million of recovered funds.

**B. Complete the tables below (if any of this information is not available, indicate by either "Note" or "N/A" in the relevant column or cell):**

Note: To allow information to be easily viewable, the Department reformatted the table in OMB Circular A-136 into three separate tables. Table 1A provides information on the total amount of disbursements subject to review in FY 2013, as well as the total amount reviewed under the Department's

payment recapture audit program. As shown in the table, the Department reviewed 100 percent of its FY 2013 disbursements, except for the payments excluded from review as discussed in Item V.A.

**Table 1A**  
**Payment Recapture Audit Reporting Scope**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Amount Subject to Review for FY 2013 Reporting	Actual Amount Reviewed and Reported in FY 2013	Percent Reviewed
Administrative, Technology, and Other	Commercial	\$598,863	\$598,863	100%
	Custodial	\$416,166	\$416,166	100%
Litigation	Commercial	\$705,846	\$705,846	100%
Law Enforcement	Commercial	\$5,450,959	\$5,450,959	100%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$137,220	\$137,220	100%
	Commercial	\$98,705	\$98,705	100%
	Grants and Cooperative Agreements	\$3,321,044	\$3,321,044	100%
Prisons and Detention	Commercial	\$4,593,581	\$4,593,581	100%
<b>Total</b>		<b>\$15,322,384</b>	<b>\$15,322,384</b>	<b>100%</b>

Table 1B provides the cumulative results of payment recapture audit activities for the ten-year period of FYs 2004 through 2013. As shown in the table, as of the end of FY 2013, the Department had recovered 89 percent of the improper payments identified for recovery. The Department reported a cumulative recovery rate of 93 percent in FY 2012 and 86 percent in FY 2011. As shown in the table, the cumulative recovery rate for grants was 66 percent, while the cumulative recovery rate for all other types of payments ranged from 92 to 100 percent. The lower recovery rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. For example, some grantees have been placed on multi-year repayment programs based on ability to pay and other factors.

**Table 1B**  
**Cumulative Payment Recapture Audit Reporting**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	FYs 2004 through 2013					
		Cumulative Improper Payments Identified for Recovery <sup>3</sup>	Cumulative Improper Payments Determined Not to be Collectable	Cumulative Improper Payments Recovered	Recovery Rate (Percent of Cumulative Improper Payments Recovered out of Cumulative Improper Payments Identified for Recovery)	Cumulative Improper Payments Outstanding	Percent Outstanding (Percent of Cumulative Improper Payments Outstanding out of Cumulative Improper Payments Identified for Recovery)
Administrative, Technology, and Other	Commercial	\$3,154	\$0	\$2,934	93%	\$220	7%
	Custodial	\$0	\$0	\$0	N/A	\$0	N/A
Litigation	Commercial	\$4,522	\$10	\$4,461	99%	\$51	1%
Law Enforcement	Commercial	\$27,495	\$22	\$27,077	98%	\$396	1%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$10	\$0	\$10	100%	\$0	0%
	Commercial	\$363	\$0	\$359	99%	\$4	1%
	Grants and Cooperative Agreements	\$15,540	\$3,686	\$10,265	66%	\$1,589	10%
Prisons and Detention	Commercial	\$11,386	\$61	\$10,483	92%	\$842	7%
<b>Total</b>		<b>\$62,470</b>	<b>\$3,779</b>	<b>\$55,589</b>	<b>89%</b>	<b>\$3,102</b>	<b>5%</b>

<sup>3</sup> Improper payments identified for recovery do not include all questioned costs. When questioned costs are identified in an OIG audit report or through some other means, Departmental management initiates a process to validate whether the costs in question were improper payments; e.g., the Department will request additional support from grantees for transactions that, at the time of audit, were not supported by adequate documentation. The validation process can take months, and in some cases years, to complete. Therefore, for payment recapture audit reporting purposes, improper payments identified for recovery include only the questioned costs for which Departmental management has completed the validation process and determined that the incurred costs should not have been charged to the Government.

Table 1C provides the results of payment recapture audit activities separately by current year (FY 2013) and previous years (FYs 2004 through 2012 combined). As shown in the current year section of the table, the improper payments recovered in the Litigation Program exceeded the improper payments identified for recovery due to the recovery during FY 2013 of improper payments identified in previous years. The lower recovery rate in the State, Local, Tribal, and Other Assistance Program for commercial payments is attributed to the identification of two improper payments totaling approximately \$3,800 on September 25, 2013, which did not allow enough time for the collection process to be completed by year-end; the improper payments were recovered the next month.

**Table 1C**  
**Payment Recapture Audit Reporting by Current Year and Previous Years**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Current Year (FY 2013)							Previous Years (FYs 2004 through 2012)	
		Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate (Percent of Current Year Improper Payments Recovered out of Current Year Improper Payments Identified for Recovery)	Improper Payments Determined Not to be Collectable	Percent of Improper Payments Determined Not to be Collectable out of Improper Payments Identified for Recovery	Improper Payments Outstanding	Percent Outstanding (Percent of Current Year Improper Payments Outstanding out of Current Year Improper Payments Identified for Recovery)	Improper Payments Identified for Recovery	Improper Payments Recovered
Administrative, Technology, and Other	Commercial	\$1,893	\$1,698	90%	\$0	0%	\$195	10%	\$1,261	\$1,236
	Custodial	\$0	\$0	N/A	\$0	N/A	\$0	N/A	\$0	\$0
Litigation	Commercial	\$1,125	\$1,157	103%	\$10	1%	(\$42)	(4%)	\$3,397	\$3,304
Law Enforcement	Commercial	\$9,463	\$9,260	98%	\$0	0%	\$203	2%	\$18,032	\$17,817
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$0	\$0	N/A	\$0	N/A	\$0	N/A	\$10	\$10
	Commercial	\$6	\$2	33%	\$0	0%	\$4	67%	\$357	\$357
	Grants and Cooperative Agreements	\$6,581	\$3,189	48%	\$3,686	56%	(\$294)	(4%)	\$8,959	\$7,076
Prisons and Detention	Commercial	\$2,913	\$2,817	97%	\$61	2%	\$35	1%	\$8,473	\$7,666
<b>Total</b>		<b>\$21,981</b>	<b>\$18,123</b>	<b>82%</b>	<b>\$3,757</b>	<b>17%</b>	<b>\$101</b>	<b>1%</b>	<b>\$40,489</b>	<b>\$37,466</b>

If an agency has a payment recapture audit program in place, then the agency is required to establish annual targets to drive their annual performance. The targets shall be based on the rate of recovery. Agencies are expected to report current year amounts and rates, as well as recovery rate targets for three years.

Table 2 provides cumulative (FYs 2004 through 2013) payment recapture audit activities information, current year (FY 2013) information, and recovery rate targets for three years. As mentioned, the lower recovery rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. In FY 2014, the Department will continue focusing on improving the recovery rate for grants and sustaining the high recovery rates for all other types of payments.

**Table 2**  
**Improper Payments Recovery Rates and Targets**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Cumulative (FYs 2004 through 2013)			Current Year (FY 2013)			Recovery Rate Targets <sup>4</sup>		
		Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	FY 2014	FY 2015	FY 2016
Administrative, Technology, and Other	Commercial	\$3,154	\$2,934	93%	\$1,893	\$1,698	90%	85%	85%	85%
	Custodial	\$0	\$0	N/A	\$0	\$0	N/A	85%	85%	85%
Litigation	Commercial	\$4,522	\$4,461	99%	\$1,125	\$1,157	103%	85%	85%	85%
Law Enforcement	Commercial	\$27,495	\$27,077	98%	\$9,463	\$9,260	98%	85%	85%	85%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$10	\$10	100%	\$0	\$0	N/A	85%	85%	85%
	Commercial	\$363	\$359	99%	\$6	\$2	33%	85%	85%	85%
	Grants and Cooperative Agreements	\$15,540	\$10,265	66%	\$6,581	\$3,189	48%	85%	85%	85%
Prisons and Detention	Commercial	\$11,386	\$10,483	92%	\$2,913	\$2,817	97%	85%	85%	85%
<b>Total</b>		<b>\$62,470</b>	<b>\$55,589</b>	<b>89%</b>	<b>\$21,981</b>	<b>\$18,123</b>	<b>82%</b>			

<sup>4</sup> Recovery rate targets were adjusted in FY 2012 to 85 percent for all programs, consistent with OMB guidance.

**C. In addition, agencies shall report the following information on their payment recapture audit programs, if applicable:**

- i. An aging schedule of the amount of overpayments identified through the payment recapture audit program that are outstanding (i.e., overpayments that have been identified but not recovered). Typically, the aging of an overpayment begins at the time the overpayment is detected. Indicate with a note whenever that is not the case.**

Table 3 provides the aging schedule for the Department’s overpayments that were outstanding (not recovered) as of the end of FY 2013. Of the approximate \$1.3 million in overpayments that were outstanding for more than a year, approximately \$1.2 million (or 92 percent) have been referred to Treasury for collection.

**Table 3**  
**Aging of Cumulative Outstanding Overpayments**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Amount Outstanding (0 to 6 months)	Amount Outstanding (6 months to 1 year)	Amount Outstanding (over 1 year)
Administrative, Technology, and Other	Commercial	\$154	\$46	\$20
	Custodial	\$0	\$0	\$0
Litigation	Commercial	\$13	\$1	\$37
Law Enforcement	Commercial	\$341	\$2	\$53
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$0	\$0	\$0
	Commercial	\$4	\$0	\$0
	Grants and Cooperative Agreements	\$946	\$38	\$605
Prisons and Detention	Commercial	\$85	\$148	\$609
<b>Total</b>		<b>\$1,543</b>	<b>\$235</b>	<b>\$1,324</b>

- ii. A summary of how recovered amounts have been disposed of (if any of this information is not available, indicate by either “Note” or “N/A” in the relevant column or cell).

Table 4 provides the disposition information for the improper payments the Department recovered in FY 2013. As shown in the table, approximately \$16.8 million of the approximate \$18.1 million recovered (or approximately 93 percent) was returned to the original funds from which the payments were made.

**Table 4**  
**Disposition of FY 2013 Recovered Funds**  
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Improper Payments Recovered in FY 2013	Disposition						
			Returned to Original Fund	Agency Expenses to Administer the Program	Payment Recapture Auditor Fees	Financial Management Improvement Activities	Used for Original Purpose	Office of the Inspector General	Returned to the Treasury
Administrative, Technology, and Other	Commercial	\$1,698	\$1,698						
	Custodial	\$0							
Litigation	Commercial	\$1,157	\$1,157						
Law Enforcement	Commercial	\$9,260	\$9,260						
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$0							
	Commercial	\$2	\$2						
	Grants and Cooperative Agreements	\$3,189	\$3,189						
Prisons and Detention	Commercial	\$2,817	\$1,522						\$1,295
<b>Total</b>		<b>\$18,123</b>	<b>\$16,828</b>						<b>\$1,295</b>

- D. As applicable, agencies should also report on improper payments identified and recovered through sources other than payment recapture audits. For example, agencies could report on improper payments identified through statistical samples conducted under the IPIA, agency post-payment reviews or audits, Office of the Inspector General reviews, Single Audit reports, self-reported overpayments, or reports from the public. Specific information on additional required reporting for contracts is included in Section 7 of OMB memorandum M-11-04, issued in November 2010. Reporting this information is required for FY 2011 reporting and beyond. If previous year information is not available, indicate by a “Note.”

The Department’s payment recapture audit program leverages both internal and external efforts to identify improper payments. The reporting in Tables 1B through 5 is inclusive of all overpayments, regardless of whether they were identified through internal or external sources. Table 5 provides information on the overpayments that were identified in the current year (FY 2013), previous year (FY 2012), and cumulatively (FYs 2011 through 2013) by source, i.e., through internal efforts or by auditors, vendors, or payment recapture audit contractors. The table also provides the recovery information associated with overpayments identified by those sources. The table provides information for FYs 2011 through 2013 only, as agencies were not required to track this level of detail prior to FY 2011.

**Table 5**  
**Sources of Identifying Overpayments**  
(Dollars in Thousands)

Source	Current Year (FY 2013)		Previous Year (FY 2012)		Cumulative (FYs 2011 through 2013)	
	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered
Internal Efforts	\$10,211	\$9,376	\$2,766	\$3,442	\$18,225	\$17,126
Auditors (e.g., by the OIG or audits for OMB Circular A-133)	\$6,520	\$3,590	\$2,017	\$2,943	\$14,447	\$9,823
Vendors	\$4,745	\$4,663	\$2,722	\$2,671	\$8,944	\$8,993
Payment Recapture Audit Contractors	\$505	\$494	\$0	\$0	\$505	\$506
<b>Total</b>	<b>\$21,981</b>	<b>\$18,123</b>	<b>\$7,505</b>	<b>\$9,056</b>	<b>\$42,121</b>	<b>\$36,448</b>

**Item VI. Accountability.** Any agency that has programs or activities that are susceptible to significant improper payments shall describe the steps the agency has taken and plans to take (including timeline) to ensure that agency managers, accountable officers (including the agency head), programs, and States and localities (where appropriate) are held accountable for reducing and recovering improper payments. Specifically, they should be held accountable for meeting applicable improper payments reduction targets and establishing and maintaining sufficient internal controls (including an appropriate control environment) that effectively prevents improper payments from being made and promptly detects and recovers any improper payments that are made.

Not applicable. Based on the results of the FY 2013 Department-wide risk assessment, there were no programs susceptible to significant improper payments. With regard to the funding provided to the Department in FY 2013 by the Disaster Relief Act, which the Act deemed to be susceptible to significant improper payments, the Department will begin reporting on the funding in the Department’s IPIA reporting for FY 2014 in accordance with the OMB implementing guidance.

**Item VII. Agency Information Systems and Other Infrastructure.**

- A. Describe whether the agency has the internal controls, human capital, and information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted.**

The results of the FY 2013 Department-wide risk assessment demonstrated that, overall, the Department has sufficient internal controls over disbursement activities to prevent improper payments. The assessment identified no programs susceptible to significant improper payments.

Department-wide actions to reduce improper payments are accomplished through an aggressive strategy of re-engineering and standardizing business processes, concurrent with the Department's implementation of an integrated financial management system, which is underway. As of the end of FY 2013, all Departmental components reported that they had sufficient internal controls, human capital, and the information systems and other infrastructure needed to reduce improper payments to targeted levels.

- B. If the agency does not have such internal controls, human capital, and information systems and other infrastructure, describe the resources the agency requested in its most recent budget submission to Congress to establish and maintain the necessary internal controls, human capital, and information systems and other infrastructure.**

Not applicable. The continued implementation of the Department's integrated financial management system will complement the Department's current infrastructure and capabilities to reduce improper payments.

**Item VIII. Barriers. Describe any statutory or regulatory barriers that may limit the agency's corrective actions in reducing improper payments and actions taken by the agency to mitigate the barriers' effects.**

The Department has not identified any statutory or regulatory barriers that limit its corrective actions in reducing improper payments.

**Item IX. Additional Comments. Discuss any additional comments, if any, on overall agency efforts, specific programs, best practices, or common challenges identified as a result of IPERA implementation.**

The Department recognizes the importance of maintaining adequate internal controls to ensure proper payments and is committed to the continuous improvement of the overall disbursement management process. The Department's top-down approach for implementing the expanded requirements of the IPERA promotes consistency across the Department, both with regard to conducting the required risk assessment and for tracking and reporting payment recapture audit activities. In FY 2014, the Department will continue its efforts to further reduce improper payments, as well as improve the recovery rate for grants.

## APPENDIX B

### Acronyms

#### A

ACM	Asbestos Containing Materials
AFF	Assets Forfeiture Fund
AFF/SADF	Assets Forfeiture Fund and Seized Asset Deposit Fund
AFR	Agency Financial Report
APR	Annual Performance Report
ARRA	American Recovery and Reinvestment Act
ATF	Bureau of Alcohol, Tobacco, Firearms and Explosives
ATR	Antitrust Division

#### B

BIA	Board of Immigration Appeals
BJA	Bureau of Justice Assistance
BJS	Bureau of Justice Statistics
BOP	Bureau of Prisons
Budget	Budget of the United States

#### C

CFO	Chief Financial Officer
CHRP	COPS Hiring Recovery Program (under Recovery Act)
CIV	Civil Division
COPS	Office of Community Oriented Policing Services
CPOT	Consolidated Priority Organization Target
CRM	Criminal Division
CRS	Community Relations Service
CRT	Civil Rights Division
CSCATL	Correctional Systems and Correctional Alternatives for Tribal Lands
CSRS	Civil Service Retirement System
CTD	Counterterrorism Division
CY	Calendar Year/Current Year

#### D

DCM	Debt Collection Management
DEA	Drug Enforcement Administration
Department, The	Department of Justice
DNA	Deoxyribonucleic Acid
DOJ	Department of Justice

DOL Department of Labor

**E**

ENRD Environment and Natural Resources Division  
EOIR Executive Office for Immigration Review  
EOUSA Executive Office for U.S. Attorneys

**F**

FAA FISA Amendments Act  
FASAB Federal Accounting Standards Advisory Board  
FBI Federal Bureau of Investigation  
FBWT Fund Balance with U.S. Treasury  
FCSC Foreign Claims Settlement Commission  
FECA Federal Employees Compensation Act  
FEGLI Federal Employees Group Life Insurance Program  
FEHB Federal Employees Health Benefits Program  
FERS Federal Employees Retirement System  
FERS-RAE Federal Employees Retirement System-Revised Annuity Employees System  
FFMIA Federal Financial Management Improvement Act  
FISA Foreign Intelligence Surveillance Act  
FISMA Federal Information Security Management Act  
FMFIA Federal Managers' Financial Integrity Act  
FMPM Financial Management Policy Memorandum  
FPI Federal Prison Industries, Inc.  
FTE Full-Time Equivalent  
FTTTF Foreign Terrorist Tracking Task Force  
FY Fiscal Year

**G**

GangTECC National Gang Targeting, Enforcement, and Coordination Center  
GAO Government Accountability Office  
GAN Grant Adjustment Notice  
GMRA Government Management Reform Act  
GPRA Government Performance and Results Act  
GPRAMA GPRA Modernization Act of 2010  
GPRS Grant Payment Request System  
GPS Global Positioning System

**I**

IG Inspector General  
Integrity Act Federal Managers' Financial Integrity Act  
INTERPOL International Criminal Police Organization  
IPERA Improper Payments Elimination and Recovery Act

IPIA Improper Payments Information Act  
IT Information Technology

**J**

JMD Justice Management Division

**K**

KG Kilogram

**L**

LCM Lower of average cost or market value  
LLP Limited Liability Partnership

**N**

N/A Not Applicable  
NGIC National Gang Intelligence Center  
NIJ National Institute of Justice  
NSD National Security Division  
NSL National Security Letter

**O**

OBDs Offices, Boards and Divisions  
OCDETF Organized Crime Drug Enforcement Task Forces  
OIG Office of the Inspector General  
OIP Office of Information Policy  
OJP Office of Justice Programs  
OJJDP Office of Juvenile Justice and Delinquency Prevention  
OLA Office of Legislative Affairs  
OLC Office of Legal Counsel  
OLP Office of Legal Policy  
OMB Office of Management and Budget  
OPA Office of the Pardon Attorney  
OPM Office of Personnel Management  
OPR Office of Professional Responsibility  
OSG Office of the Solicitor General  
OSG Operational Section for Gangs  
OTJ Office of Tribal Justice  
OVP Office of the Vice President  
OVW Office on Violence Against Women

**P**

PAR	Performance and Accountability Report
PHS	Public Health Services
PRAO	Professional Responsibility Advisory Office
PREA	Prison Rape Elimination Act
PSOB Act	Public Safety Officers' Benefits Act of 1976
PY	Prior Year/Previous Year

**R**

RCA	Reports Consolidation Act of 2000
RECA	Radiation Exposure Compensation Act
Recovery Act	American Recovery and Reinvestment Act of 2009

**S**

SBF	Special Benefits Fund
SBR	Statement of Budgetary Resources
SDO	Suspending and Debarring Official
SFFAS	Statement of Federal Financial Accounting Standards
SG	Strategic Goal

**T**

TAX	Tax Division
Trust Fund	Federal Prison Commissary Fund
TSC	Terrorist Screening Center
TSP	Federal Thrift Savings Plan

**U**

UDO	Undelivered Orders
UFMS	Unified Financial Management System
USAs	United States Attorneys
USAO	United States Attorneys' Offices
USA PATRIOT	Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
USIC	U.S. Intelligence Community
USMS	United States Marshals Service
USPC	United States Parole Commission
USSGL	U.S. Standard General Ledger
UST	United States Trustee

**V**

VOI/TIS

Violent Offender Incarceration and Truth-In Sentencing

# APPENDIX C

## Department Component Websites

Component	Website
American Indian and Alaska Native Affairs Desk (OJP)	<a href="http://www.ojp.usdoj.gov/programs/aiana.htm">www.ojp.usdoj.gov/programs/aiana.htm</a>
Antitrust Division	<a href="http://www.justice.gov/atr/index.html">www.justice.gov/atr/index.html</a>
Bureau of Alcohol, Tobacco, Firearms and Explosives	<a href="http://www.atf.gov/">www.atf.gov/</a>
Bureau of Justice Assistance (OJP)	<a href="http://www.bja.gov/">www.bja.gov/</a>
Bureau of Justice Statistics (OJP)	<a href="http://www.bjs.gov/">www.bjs.gov/</a>
Civil Division	<a href="http://www.justice.gov/civil/index.html">www.justice.gov/civil/index.html</a>
Civil Rights Division	<a href="http://www.justice.gov/crt/">www.justice.gov/crt/</a>
Community Oriented Policing Services - COPS	<a href="http://www.cops.usdoj.gov/">www.cops.usdoj.gov/</a>
Community Capacity Development Office (OJP)	<a href="http://www.ojp.usdoj.gov/ccdo/welcome_flash.html">www.ojp.usdoj.gov/ccdo/welcome_flash.html</a>
Community Relations Service	<a href="http://www.justice.gov/crs/index.html">http://www.justice.gov/crs/index.html</a>
Criminal Division	<a href="http://www.justice.gov/criminal/">www.justice.gov/criminal/</a>
Diversion Control Program	<a href="http://www.deadiversion.usdoj.gov/">www.deadiversion.usdoj.gov/</a>
Drug Enforcement Administration	<a href="http://www.justice.gov/dea/">www.justice.gov/dea/</a>
Environment and Natural Resources Division	<a href="http://www.justice.gov/enrd/">www.justice.gov/enrd/</a>
Executive Office for Immigration Review	<a href="http://www.justice.gov/eoir/">www.justice.gov/eoir/</a>
Executive Office for U.S. Attorneys	<a href="http://www.justice.gov/usao/eousa/">www.justice.gov/usao/eousa/</a>
Executive Office for U.S. Trustees	<a href="http://www.justice.gov/ust/">www.justice.gov/ust/</a>
Federal Bureau of Investigation	<a href="http://www.fbi.gov/">www.fbi.gov/</a>
Federal Bureau of Prisons	<a href="http://www.bop.gov/">www.bop.gov/</a>
Foreign Claims Settlement Commission of the United States	<a href="http://www.justice.gov/fcsc/">www.justice.gov/fcsc/</a>
INTERPOL Washington	<a href="http://www.justice.gov/interpol-washington/">www.justice.gov/interpol-washington/</a>
Justice Management Division	<a href="http://www.justice.gov/jmd/">www.justice.gov/jmd/</a>
National Criminal Justice Reference Service (OJP)	<a href="http://www.ncjrs.gov/">www.ncjrs.gov/</a>
National Institute of Corrections	<a href="http://www.nicic.gov/">www.nicic.gov/</a>
National Institute of Justice (OJP)	<a href="http://www.ojp.usdoj.gov/nij/">www.ojp.usdoj.gov/nij/</a>
National Security Division	<a href="http://www.justice.gov/nsd/">www.justice.gov/nsd/</a>
Office of the Associate Attorney General	<a href="http://www.justice.gov/asg/index.html">www.justice.gov/asg/index.html</a>
Office of the Attorney General	<a href="http://www.justice.gov/ag/">www.justice.gov/ag/</a>
Office of the Deputy Attorney General	<a href="http://www.justice.gov/dag/">www.justice.gov/dag/</a>
Office of the Federal Detention Trustee	<a href="http://www.justice.gov/ofdt/index.html">www.justice.gov/ofdt/index.html</a>
Office of Information Policy	<a href="http://www.justice.gov/oip/oip.html">www.justice.gov/oip/oip.html</a>
Office of the Inspector General	<a href="http://www.justice.gov/oig/">www.justice.gov/oig/</a>
Office of Intelligence Policy and Review	<a href="http://www.justice.gov/nsd/oipr-redirect.htm">www.justice.gov/nsd/oipr-redirect.htm</a>
Office of Justice Programs	<a href="http://www.ojp.usdoj.gov/">www.ojp.usdoj.gov/</a>
Office of Juvenile Justice and Delinquency Prevention (OJP)	<a href="http://www.ojjdp.gov/">www.ojjdp.gov/</a>
Office of Legal Counsel	<a href="http://www.justice.gov/olc/index.html">www.justice.gov/olc/index.html</a>
Office of Legal Policy	<a href="http://www.justice.gov/olp/">www.justice.gov/olp/</a>
Office of Legislative Affairs	<a href="http://www.justice.gov/ola/">www.justice.gov/ola/</a>
Office of the Pardon Attorney	<a href="http://www.justice.gov/pardon/">www.justice.gov/pardon/</a>
Office of Professional Responsibility	<a href="http://www.justice.gov/opr/index.html">www.justice.gov/opr/index.html</a>
Office of Public Affairs	<a href="http://www.justice.gov/opa/index.html">www.justice.gov/opa/index.html</a>
Office of the Solicitor General	<a href="http://www.justice.gov/osg/">www.justice.gov/osg/</a>
Office of Tribal Justice	<a href="http://www.justice.gov/otj/index.html">www.justice.gov/otj/index.html</a>
Office for Victims of Crime (OJP)	<a href="http://www.ojp.usdoj.gov/ovc/">www.ojp.usdoj.gov/ovc/</a>
Office on Violence Against Women	<a href="http://www.ovw.usdoj.gov/">www.ovw.usdoj.gov/</a>
Tax Division	<a href="http://www.justice.gov/tax/">www.justice.gov/tax/</a>
U.S. Attorneys	<a href="http://www.justice.gov/usao/">www.justice.gov/usao/</a>
U.S. Marshals Service	<a href="http://www.justice.gov/marshals/">www.justice.gov/marshals/</a>
U.S. Parole Commission	<a href="http://www.justice.gov/uspc/">www.justice.gov/uspc/</a>