

## Comparison of Improper Payments Actions

Subject Areas	S. 1508	HR 3393	EO 13520
Title	<b>Improper Payments Elimination and Recovery Act of 2010</b>	<b>Improper Payments Elimination and Recovery Act of 2010</b>	<b>Executive Order 13520, Reducing Improper Payments - 74 FR 62201</b>
<b>Identification of Susceptible Programs and Activities</b>	Agency head shall periodically review and identify all programs and activities susceptible to significant improper payments. <b>Sec. 2(a).</b>	Agency head shall periodically review and identify all programs and activities susceptible to significant improper payments. <b>Sec. 2(a).</b>	Executive Order 13520, Reducing Improper Payments - 74 FR 62201 • Within 90 days of date of EO, Dir., OMB shall: ■■ Identify Federal programs in which highest dollar value or majority of Govt-wide improper payments occur (high-priority programs). ■■ Establish, in coordination with responsible agency, annual, semi-annual, or supplemental targets for reducing improper payments. ■■ Issue Govt-wide guidance on implementation of EO ■■ Est. working group of Fed, State, and local officials to make recommendations to Dir., OMB designed to improve Govt's measurement of access to Fed programs. Recommendations shall be prepared in consultation with CIGIE. <b>Sec. 2(a).</b> • Within 180 days of date of EO, CFOC, in consultation with CIGIE, DOJ, and program experts shall make recommendations to Dir., OMB and Sec. Treas on actions agencies should take to improve methodologies for identifying and measuring improper payments. <b>Sec. 3(d).</b> • Within 180 days of date of EO, agency shall provide agency IG report with: ■■ Methodology for id and measuring improper payments. ■■ Plans for meeting reduction targets ■■ Plans for ensuring that initiatives do not unduly burden program access and participation. <b>Sec. 3(b).</b>
<b>Establish Targets for Reduction</b>	N/A	N/A	• Within 90 days of date of EO, Dir., OMB, in coord with agency, shall establish annual, semiannual, or supplemental targets for reducing improper payments. <b>Sec. 2(a).</b>

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<b>Measurement of Access to Programs</b>	N/A	N/A	<ul style="list-style-type: none"> <li>• Within 90 days of date of EO, Dir., OMB shall establish working group of Federal, State, and local officials to make recommendations to Dir., OMB to improve measurement of access to Federal programs by intended beneficiaries. <b>Sec. 2(a).</b></li> <li>• Recommendations shall be prepared in consultation with CIGIE. <b>Sec. 2(a).</b></li> </ul>
<b>• Frequency of Review</b>	<ul style="list-style-type: none"> <li>• Will be performed for each program and activity during year after bill enacted.</li> <li>• At least every 3 FY's thereafter.</li> <li>• Agencies already performing risk assessments every 3 years may apply for waiver from OMB. <b>Sec. 2(a).</b></li> </ul>	<ul style="list-style-type: none"> <li>• Will be performed for each program and activity during year after bill enacted.</li> <li>• At least every 3 FY's thereafter.</li> <li>• Agencies already performing risk assessments every 3 years may apply for waiver from OMB. <b>Sec. 2(a).</b></li> </ul>	N/A
<b>• Risk Assessments</b>	<p>Significant means:</p> <ul style="list-style-type: none"> <li>• Exceeded \$10M of all program or activity payments made during FY and 2.5% of program outlays; or</li> <li>• Exceeded \$100M; and</li> <li>• For FY's prior to FY 2013, that improper payments in preceding FY exceeded:                             <ul style="list-style-type: none"> <li>-- \$10M of all program or activity payments made during FY and 1.5% of program outlays; or</li> <li>--\$100M. <b>Sec. 2(a).</b></li> </ul> </li> </ul>	<p>Significant means:</p> <ul style="list-style-type: none"> <li>• Exceeded \$10M of all program or activity payments made during FY and 2.5% of program outlays; or</li> <li>• Exceeded \$100M; and</li> <li>• For FY's prior to FY 2013, that improper payments in preceding FY exceeded:                             <ul style="list-style-type: none"> <li>-- \$10M of all program or activity payments made during FY and 1.5% of program outlays; or</li> <li>--\$100M. <b>Sec. 2(a).</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• IG shall review agency report and assess level of risk for each program, determine oversight needed, and provide recommendations to agency head. <b>Sec. 3(b).</b></li> </ul>
<b>• Scope</b>	Head of agency shall consider 7 factors. <b>Sec. 2(a).</b>	Head of agency shall consider 7 factors. <b>Sec. 2(a).</b>	N/A
<b>Estimation of Improper Payments</b>	<p>Head of agency shall:</p> <ul style="list-style-type: none"> <li>• Produce estimate of improper payments made by each program and activity;</li> <li>• Include estimates in annual financial statement of agency under 31 USC 3515. <b>Sec. 2(b).</b></li> </ul>	<p>Head of agency shall:</p> <ul style="list-style-type: none"> <li>• Produce estimate of improper payments made by each program and activity;</li> <li>• Include estimates in annual financial statement of agency under 31 USC 3515. <b>Sec. 2(b).</b></li> </ul>	N/A
<b>Reports on Actions to Reduce</b>	Head of agency shall provide [with estimate above] report on agency actions to reduce improper payments. <b>Sec. 2(c).</b>	Head of agency shall provide [with estimate above] report on agency actions to reduce improper payments. <b>Sec. 2(c).</b>	<ul style="list-style-type: none"> <li>• Within 120 days of date of EO, head of agency shall designate PAS official to be accountable for meeting remedial targets. 2d PAS official may be required for certain agencies. <b>Sec. 3(a).</b></li> </ul>

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<b>Recommendation to President</b>	N/A	N/A	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, Sec. Treasury, and Dir., OMB, in consultation with CIGIE, DOJ, and program experts shall recommend to President actions designed to reduce improper payments by information sharing. <b>Sec. 3(e).</b></li> </ul>
<b>Reports on Actions to Recover</b>	Head of agency shall provide [with estimates and reports above] report on agency actions to recover improper payments. <b>Sec. 2(d).</b>	Head of agency shall provide [with estimates and reports above] report on agency actions to recover improper payments. <b>Sec. 2(d).</b>	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, and at least every qtr thereafter, head of agency shall submit to IG and CIGIE, and make available to public, report on improper payments id'd, actions taken to recover, and actions intended to prevent. <b>Sec. 3(f).</b></li> </ul>
<b>Governmentwide Reporting of Imp. Payments and Actions</b>	Each FY, OMB shall submit report on actions agencies have taken to report and recover above. Report to: <ul style="list-style-type: none"> <li>• Committee on Homeland Security and Governmental Affairs (HSGAC) - Senate; and</li> <li>• Committee on Oversight and Government Reform (O&amp;GR) - House. <b>Sec. 2(d).</b></li> </ul>	Each FY, OMB shall submit report on actions agencies have taken to report and recover above. Report to: <ul style="list-style-type: none"> <li>• Committee on Homeland Security and Governmental Affairs (HSGAC) - Senate; and</li> <li>• Committee on Oversight and Government Reform (O&amp;GR) - House. <b>Sec. 2(d).</b></li> </ul>	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, Sec. Treas, in coordination w/Attorney General (AG) and Dir., OMB shall publish on internet information about improper payments under high-priority programs. <b>Sec. 2(b).</b></li> <li>• Within 180 days of date of EO, Sec. Treas., in coord. w/AG and Dir., OMB, and in consultation w/CIGIE, shall establish central, internet-based method to collect from public on improper payments. <b>Sec. 2(c).</b></li> <li>• Agencies shall place prominently displayed link to site on internet home page. <b>Sec. 2(d).</b></li> </ul>
<b>Guidance by OMB</b>	No later than 6 months after enactment of bill OMB shall prescribe guidance for agencies. <ul style="list-style-type: none"> <li>• Form of reports on actions; and</li> <li>• Strategies for addressing risks and establishing internal controls. <b>Sec. 2(f).</b></li> </ul>	No later than 6 months after enactment of bill OMB shall prescribe guidance for agencies. <ul style="list-style-type: none"> <li>• Form of reports on actions; and</li> <li>• Strategies for addressing risks and establishing internal controls. <b>Sec. 2(f).</b></li> </ul>	<ul style="list-style-type: none"> <li>• Within 90 days of date of EO (November 30, 2009 = February 18, 2010), Dir., OMB shall issue Government-wide guidance on implementing EO. <b>Sec. 2(a).</b></li> </ul>
<b>Determination of Agency Readiness for Opinion on Internal Controls</b>	No later than 1 yr after enactment of Act, Dir., OMB shall develop: <ul style="list-style-type: none"> <li>• Criteria as to when agency shall be required to obtain opinion on internal control over improper payments; and</li> <li>• Criteria for agency to qualify for multiyear cycle for obtaining opinion. <b>Sec. 2(g).</b></li> </ul>	No later than 1 yr after enactment of Act, Dir., OMB shall develop: <ul style="list-style-type: none"> <li>• Criteria as to when agency shall be required to obtain opinion on internal control over improper payments; and</li> <li>• Criteria for agency to qualify for multiyear cycle for obtaining opinion. <b>Sec. 2(g).</b></li> </ul>	N/A

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<b>Recovery Audits</b>	<p>Except as provided under para. 4 and if not prohibited by other law, head of each agency shall conduct recovery audits for programs and activities that expend \$1M or more if such audits would be cost-effective.</p> <ul style="list-style-type: none"> <li>• Not more than 5% of amounts collected by agency shall be available to agency IG.</li> <li>• Head of agency shall conduct financial management improvement programs consistent w/rules prescribed by OMB.</li> <li>• Contract terms and conditions:</li> </ul> <p>--Provide periodic reports on conditions giving rise to overpayments and recommendations to mitigate;</p> <p>--Notify agency of overpayments identified that are beyond scope of contract.</p> <p>--Report to agency credible evidence of fraud or vulnerabilities to fraud.</p> <ul style="list-style-type: none"> <li>• NLT Nov 1 of each year, agency shall submit report on actions taken by agency during preceding FY to:</li> </ul> <p>--OMB</p> <p>--Congress <b>Sec. 2(h).</b></p>	<p>Except as provided under para. 4 and if not prohibited by other law, head of each agency shall conduct recovery audits for programs and activities that expend \$1M or more if such audits would be cost-effective.</p> <ul style="list-style-type: none"> <li>• Not more than 5% of amounts collected by agency shall be available to agency IG.</li> <li>• Head of agency shall conduct financial management improvement programs consistent w/rules prescribed by OMB.</li> <li>• Contract terms and conditions:</li> </ul> <p>--Provide periodic reports on conditions giving rise to overpayments and recommendations to mitigate;</p> <p>--Notify agency of overpayments identified that are beyond scope of contract. <b>Sec. 2(h).</b></p>	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, CFO, in consultation with CIGIE, DOJ, and program experts shall make recommendations to Dir., OMB and Sec. Treas on actions agencies should take to improve methodologies for identifying and measuring improper payments. <b>Sec. 3(d).</b></li> </ul>
<b>Report on Recovery Auditing</b>	<p>No later than 2 years after date of enactment of Act, CFO Council, in consultation with CIGIE, shall conduct study and submit report to:</p> <ul style="list-style-type: none"> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 2(i).</b></li> </ul>	<p>No later than 2 years after date of enactment of Act, CFO Council, in consultation with CIGIE, shall conduct study and submit report to:</p> <ul style="list-style-type: none"> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 2(i).</b></li> </ul>	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, and at least every qtr thereafter, head of agency shall submit to IG and CIGIE, and make available to public, report on improper payments identified, actions taken to recover, and actions intended to prevent. <b>Sec. 3(f).</b></li> </ul>
<b>Compliance</b>	6 requirements for compliance. <b>Sec. 3(a).</b>	6 requirements for compliance. <b>Sec. 3(a).</b>	N/A
<b>• Annual Compliance Report by IGs</b>	<p>Each FY, IG shall determine whether agency is in compliance and submit report to:</p> <ul style="list-style-type: none"> <li>• Head of agency</li> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 3(b).</b></li> </ul>	<p>Each FY, IG shall determine whether agency is in compliance and submit report to:</p> <ul style="list-style-type: none"> <li>• Head of agency</li> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 3(b).</b></li> </ul>	N/A

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<ul style="list-style-type: none"> <li>• <b>Remediation</b></li> </ul>	<ul style="list-style-type: none"> <li>• 1 year noncompliance - plan to Congress</li> <li>• 2 year noncompliance - head of agency obligates additional moneys in amount determined by Dir., OMB.</li> <li>• 3 year noncompliance - head of agency shall submit reauthorization proposals for each noncompliant agency or activity or propose statutory changes to bring into compliance. <b>Sec. 3(c).</b></li> </ul>	<ul style="list-style-type: none"> <li>• 1 year noncompliance - plan to Congress</li> <li>• 2 year noncompliance - head of agency obligates additional moneys in amount determined by Dir., OMB.</li> <li>• 3 year noncompliance - head of agency shall submit reauthorization proposals for each noncompliant agency or activity or propose statutory changes to bring into compliance. <b>Sec. 3(c).</b></li> </ul>	<ul style="list-style-type: none"> <li>• 2 year noncompliance - agency's accountable [PAS] official shall submit to agency head, IG, and CFO report on likely causes of failure and proposing remedial plan. <b>Sec. 3(c).</b></li> <li>• Agency head shall review plan, in consultation with IG and CFO, and forward to Dir., OMB. <b>Sec. 3(c).</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Compliance Enforcement Pilot Programs</b></li> </ul>	Dir., OMB may establish pilot programs. <b>Sec. 3(d).</b>	Dir., OMB may establish pilot programs. <b>Sec. 3(d).</b>	N/A
<ul style="list-style-type: none"> <li>• <b>Report on CFO Act</b></li> </ul>	No later than 1 year after enactment of Act, CFO Council and CIGIE shall jointly examine first 20 years of implementing CFO Act, identify reforms or improvements, and report to: <ul style="list-style-type: none"> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 3(e).</b></li> </ul>	No later than 1 year after enactment of Act, CFO Council and CIGIE shall jointly examine first 20 years of implementing CFO Act, identify reforms or improvements, and report to: <ul style="list-style-type: none"> <li>• HSGAC</li> <li>• O&amp;GR</li> <li>• Comp. Gen. <b>Sec. 3(e).</b></li> </ul>	N/A
<ul style="list-style-type: none"> <li>• <b>Enhanced Focus on Contractors and Working with State and Local Stakeholders</b></li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>• Within 180 days of date of EO, Fed. Acq. Regulatory Council, in coordination with Dir., OMB, and in consultation with Natl. Proc. Fraud TF, CIGIE, and agency officials shall recommend to President actions to enhance contractor accountability for improper payments. <b>Sec 4(a).</b></li> </ul>
	N/A	N/A	<ul style="list-style-type: none"> <li>• Within 30 days of date of EO, Dir., OMB shall establish working group of Federal and elected State and local officials to make recommendations to Dir., OMB to improve effectiveness of single audit of State and local govts and non-profits expending Fed. Funds. <b>Sec. 4(b).</b></li> </ul>

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	N/A	N/A	<ul style="list-style-type: none"> <li>• Within 30 days of date of EO, Dir., OMB shall establish working group to make recommendations to Dir., OMB for actions to improve incentives and accountability of State and local governments and other entities, for reducing improper payments. <b>Sec. 4(c).</b></li> </ul>
Policy Proposals	N/A	N/A	<ul style="list-style-type: none"> <li>• Dir., OMB, in consultation with appropriate agencies and CIGIE, shall develop policy recommendations, including potential legislative proposals, designed to reduce improper payments. <b>Sec. 5.</b></li> </ul>