May 10, 2021

Dr. Sethuraman Panchanathan
Director
National Science Foundation

Dear Dr. Panchanathan:

The *Improper Payments Elimination and Recovery Act of 2010* (IPERA, Pub. L. No. 111-204) amended the *Improper Payments Information Act of 2002* and required agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by the Office of Management and Budget (OMB). On March 2, 2020, the *Payment Integrity Information Act of 2019* (PIIA, Pub. L. No. 116-117) repealed IPERA but maintained similar improper payment reporting requirements, including the requirement that Offices of Inspector General annually determine agency compliance with PIIA.

According to OMB guidance,[1] an agency is required to meet six specific requirements to comply with PIIA, as applicable. We determined that the National Science Foundation met the PIIA requirements for FY 2020, as shown in Table 1:

Table 1. NSF Compliance with FY 2020 PIIA Requirements

PIIA Requirement*	NSF Compliance
Published payment integrity information with the annual financial statement.	Yes
Posted the annual financial statement and accompanying material on the agency website.	Yes
Conducted improper payment risk assessments for each program with annual outlays greater than $10,000,000 at least once in the last 3 years.	Yes
Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.	N/A**
Published improper and unknown payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual financial statement.	N/A**
Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A**
Published improper and unknown payment reduction targets for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	N/A**

*OMB Circular A-136 §C. Requirements for the OIG Compliance Report, Pp. 51 & 52.
**NSF's FY 2018 IPERA risk assessment found that the agency was not susceptible to significant improper payments. As a result, this requirement was not applicable.

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[1] OMB M-18-20, Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement
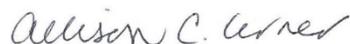
We confirmed that NSF published an annual financial report for the most recent fiscal year and posted the report and any required accompanying materials on the agency website at https://www.nsf.gov/pubs/2021/nsf21002/toc.jsp.

PIIA 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. Since NSF's FY 2018 improper payment risk assessment found that the agency was not susceptible to significant improper payments, NSF was not required to perform a risk assessment, conclude whether its program is likely to make improper payments, publish improper payment estimates, or publish corrective action plans in FY 2020. NSF's next risk assessment will be completed in FY 2021. We confirmed that NSF has met its milestones to date for the 3-year PIIA risk assessment.

We also observed that NSF's updates to its risk assessment program indicate that it is strengthening its methodology and thus making progress toward preventing and reducing improper payments.

If you have any questions concerning this matter, please contact me at 703.292.7100; alternatively, you may contact Lisa Vonder Haar, Chief of Staff, at 703.292.7100 or oigpublicaffairs@nsf.gov.

Sincerely,

Allison C. Lerner
Inspector General

cc:
Christina Sarris
Ellen Ochoa
Anneila Sargent
Terresa Grancorvitz
John Veysey
Ann Bushmiller