

APPENDIX A

Improper Payments Information Act, as Amended, Reporting Details

The Improper Payments Information Act of 2002 (IPIA), as amended, 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.¹ 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 Estimation 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 2013 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 2014, 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 eight risk factors, such as payment volume and process complexity, and covered commercial payments, custodial payments, benefit and assistance payments, grants and cooperative agreements, and employee disbursements.²

The Department's risk assessment methodology for FY 2014 did not change from FY 2013. For FY 2014, the methodology again included assessing risk against various risk factors and for various payment types. In addition, the results of the FY 2014 risk assessment did not change from FY 2013. For FY 2014, 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 1.5 percent of program outlays and \$10 million or (2) \$100 million.

In FY 2013, the Department received approximately \$20 million under the Disaster Relief Appropriations Act of 2013 (Disaster Relief Act) for Hurricane Sandy relief activities. 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. The OMB implementing guidance requires agencies to report on the funding received under the Act beginning

¹ The IPIA was amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA).

² The eight risk factors examined during the risk assessment were Recent Major Changes in Funding, Authorities, Practices, or Procedures; Results of OMB Circular A-123 Assessment, OIG Audits/Reviews, and Other External Audits/Reviews; Results of Monitoring Activities; Results of Recapture Audit Activities; Process Complexities; Volume and Dollar Amount of Payments; Inherent Risk; and Capability of Personnel.

in FY 2014. In accordance with the requirements, the following reporting details address Disaster Relief Act funds as susceptible to significant improper payments.

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 2013 IPIA report.

Based on the results of the FY 2014 Department-wide risk assessment, there were no programs susceptible to significant improper payments. This remains unchanged from FY 2013. Two Departmental programs received Disaster Relief Act funding – the Law Enforcement Program and the Prisons and Detention Program. The following table summarizes, by program, the Departmental components that received Disaster Relief Act funds and amounts received.

**Table 1A
Disaster Relief Act Funding**

Program (Activities)	Departmental Component	Funds Received
Law Enforcement (Hurricane Sandy Relief Activities)	Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	\$218,500
	Drug Enforcement Administration (DEA)	\$950,000
	Federal Bureau of Investigation (FBI)	\$9,353,688
Prisons and Detention (Hurricane Sandy Relief Activities)	Bureau of Prisons (BOP)	\$9,500,000
Total		\$20,022,188

As required by OMB implementing guidance, the Department designed a sampling methodology to obtain a statistically valid estimate of the annual amount of improper payments made with Disaster Relief Act funds. The Department submitted the methodology to OMB for review, and OMB’s feedback did not require any updates to the methodology. The sample was designed as a single stage stratified random sample. Payment amounts were used to define the stratum boundaries. A single certainty (or take-all) stratum was used for payment amounts that were large relative to the rest of the data. The remaining payments were stratified based upon payment amounts and randomly selected. The Department provided each component their sample of payments to test, along with guidance describing conditions that would indicate a payment was improper. Due to the limited number of FY 2013 payments associated with the Prisons and Detention Program, 100 percent of payments made with Disaster Relief Act funds for this program were tested, rather than a sample.

The results of testing achieved OMB’s required confidence and precision requirements of 90 percent two-sided confidence and plus or minus 2.5 percent margin of error. The results identified no improper payments with Disaster Relief Act funds; therefore, the gross estimate of the annual amount of improper payments is \$0, and the estimated improper payment rate is zero percent.

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: Administrative and Documentation 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 2014 Department-wide risk assessment, there were no programs susceptible to significant improper payments. With regard to the risk-susceptible activities funded by Disaster Relief Act funds, testing identified no improper payments; therefore, there was no need for the Department to develop a corrective action plan.

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 2014 Department-wide risk assessment, there were no grant programs susceptible to significant improper payments.

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, and if not feasible, then 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).

Based on the results of the FY 2014 Department-wide risk assessment, there were no programs susceptible to significant improper payments. The information in Table 1B on the following page provides the required reporting details for the Departmental activities that received funds under the Disaster Relief Act. The table provides actual outlays (disbursements) for FYs 2013 and 2014, along with estimated outlays for FYs 2015 through 2017. Also, the table provides actual and estimated improper payments through FY 2017. The future year improper payment estimates are based on the results of testing performed in FY 2014. Next year, the future year estimates will be revised if testing in FY 2015 identifies any payments made with Disaster Relief Act funds as improper.

- 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 over and under payments (i.e., overpayments minus underpayments). The net estimate is an additional option only and cannot be used as a substitute for the gross estimate.**

The information in the following table provides the required reporting details for the Departmental activities that received funds under the Disaster Relief Act. As shown, the gross estimate of the annual amount of improper payments is \$0 for FYs 2014 through 2017. Next year, the future year estimates will be revised if testing in FY 2015 identifies any payments made with Disaster Relief Act funds as improper.

Table 1B
Improper Payment Reduction Outlook
(Dollars in Thousands)

Program	FY 2013 Outlays	FY 2013 Improper Payments %	FY 2013 Improper Payments \$	FY 2014 Outlays	FY 2014 Improper Payments %	FY 2014 Improper Payments \$	FY 2014 Over-payments	FY 2014 Under-Payments
Law Enforcement	\$4,007	N/A	N/A	\$2,245	0%	\$0	\$0	\$0
Prisons and Detention	\$625	N/A	N/A	\$1,348	0%	\$0	\$0	\$0

Program	FY 2015 Est. Outlays	FY 2015 Improper Payments %	FY 2015 Improper Payments \$	FY 2016 Est. Outlays	FY 2016 Improper Payments %	FY 2016 Improper Payments \$	FY 2017 Est. Outlays	FY 2017 Improper Payments %	FY 2017 Improper Payments \$
Law Enforcement	\$1,989	0%	\$0	\$2,167	0%	\$0	\$0	0%	\$0
Prisons and Detention	\$1,087	0%	\$0	\$0	0%	\$0	\$0	0%	\$0

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 2014, 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 Administrative and Documentation, 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 Administrative and Documentation 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 2014, there were 19 overpayments totaling approximately \$12,100 that components determined not to be collectable. The vast majority of this amount was due to lengthy resolution efforts being unsuccessful. One improper payment totaling approximately \$900 was determined not to be collectable due to fiscal distress. Approximately \$8,500 was referred to Treasury for collection.

The Department included employee disbursements in the scope of its payment recapture audit program in accordance with the IPIA, as amended, and OMB implementing guidance applicable for FY 2014. The Department 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, 2014, the Department achieved a payment recovery rate of 86 percent for the cumulative period of FYs 2004 through 2014, and an annual recovery rate of 73 percent for FY 2014. Table 2B provided later in this section provides additional detail on the approximate \$79.4 million in improper payments identified in FYs 2004 through 2014 and the approximate \$68 million of recovered funds.

B. Complete the following tables (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 2A on the following page provides information on the total amount of disbursements subject to review in FY 2014, 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 2014 disbursements, except for the payments excluded from review as discussed in Item V.A.

Table 2A
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 2014 Reporting	Actual Amount Reviewed and Reported in FY 2014	Percent Reviewed
Administrative, Technology, and Other	Commercial	\$588,622	\$588,622	100%
	Custodial	\$502,684	\$502,684	100%
	Employee	\$336,780	\$336,780	100%
Litigation	Commercial	\$50,094	\$50,094	100%
	Employee	\$6,110	\$6,110	100%
Law Enforcement	Commercial	\$5,681,408	\$5,681,408	100%
	Employee	\$8,642,839	\$8,642,839	100%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$196,491	\$196,491	100%
	Commercial	\$91,048	\$91,048	100%
	Grants and Cooperative Agreements	\$2,628,511	\$2,628,511	100%
	Employee	\$108,693	\$108,693	100%
Prisons and Detention	Commercial	\$4,539,788	\$4,539,788	100%
	Employee	\$3,745,704	\$3,745,704	100%
Total		\$27,118,772	\$27,118,772	100%

Table 2B on the following page provides the cumulative results of payment recapture audit activities for the 11-year period of FYs 2004 through 2014. As shown in the table, as of the end of FY 2014, the Department had recovered 86 percent of the improper payments identified for recovery. The Department reported a cumulative recovery rate of 89 percent in FY 2013 and 93 percent in FY 2012. As shown in the table, the cumulative recovery rate for employee payments ranged from 54 to 100 percent, and the rate for grants was 62 percent, while the rate for all other types of payments ranged from 91 to 100 percent. The lower recovery rate for employee payments in the Law Enforcement program is attributed in part to statutory limits that extend the time frame for federal salary offsets and timing issues.³ For example, the FBI identified six improper payments on September 10, 2014, which did not allow enough time for the collection process to be completed by year-end; the improper payments were recovered the next month. The lower recovery rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. Some grantees have been placed on multi-year repayment programs based on ability to pay and other factors.

³ The amount of federal salary payments that can be offset in a pay period is limited. Only 15 percent of a debtor's disposable pay can be offset, unless the debtor agrees to a higher deduction. 5 U.S.C. § 5514(a)(1); 31 CFR § 285.7(g).

Table 2B
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 2014					
		Cumulative Improper Payments Identified for Recovery ⁴	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	\$3,840	\$0	\$3,486	91%	\$354	9%
	Custodial	\$0	\$0	\$0	N/A	\$0	N/A
	Employee	\$2	\$0	\$2	100%	\$0	0%
Litigation	Commercial	\$6,751	\$11	\$6,675	99%	\$65	1%
	Employee	\$15	\$0	\$13	87%	\$2	13%
Law Enforcement	Commercial	\$29,656	\$33	\$29,201	98%	\$422	1%
	Employee	\$258	\$0	\$139	54%	\$119	46%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$300	\$0	\$300	100%	\$0	0%
	Commercial	\$365	\$0	\$363	99%	\$2	1%
	Grants and Cooperative Agreements	\$25,220	\$3,686	\$15,688	62%	\$5,846	23%
	Employee	\$0	\$0	\$0	N/A	\$0	N/A
Prisons and Detention	Commercial	\$13,064	\$62	\$12,185	93%	\$817	6%
	Employee	\$0	\$0	\$0	N/A	\$0	N/A
Total		\$79,471	\$3,792	\$68,052	86%	\$7,627	10%

⁴ Improper payments identified for recovery did not include all questioned costs. When questioned costs are identified in an OIG audit report or through 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 and should be recovered from the grantee.

Table 2C provides the results of payment recapture audit activities separately by current year (FY 2014) and previous years (FYs 2004 through 2013 combined). As shown in the current year section of the table, the commercial improper payments recovered in two programs (State, Local, Tribal, and Other Assistance Program and Prisons and Detention Program) exceeded the improper payments identified for recovery due to the recovery during FY 2014 of improper payments identified in previous years. The lower recovery rate in the Administrative, Technology, and Other Program for commercial payments is attributed to the identification of one improper payment totaling approximately \$140,400 on September 25, 2014, which did not allow enough time for the collection process to be completed by year-end.

Table 2C
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 2014)							Previous Years (FYs 2004 through 2013)	
		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	\$686	\$552	80%	\$0	0%	\$134	20%	\$3,154	\$2,934
	Custodial	\$0	\$0	N/A	\$0	N/A	\$0	N/A	\$0	\$0
	Employee	\$2	\$2	100%	\$0	0%	\$0	0%	\$0	\$0
Litigation	Commercial	\$2,230	\$2,214	99%	\$1	0%	\$15	1%	\$4,521	\$4,461
	Employee	\$15	\$13	87%	\$0	0%	\$2	13%	\$0	\$0
Law Enforcement	Commercial	\$2,160	\$2,124	98%	\$10	1%	\$26	1%	\$27,496	\$27,077
	Employee	\$258	\$139	54%	\$0	0%	\$119	46%	\$0	\$0
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$290	\$290	100%	\$0	0%	\$0	0%	\$10	\$10
	Commercial	\$2	\$4	200%	\$0	0%	(\$2)	(100%)	\$363	\$359
	Grants and Cooperative Agreements	\$9,680	\$5,423	56%	\$0	0%	\$4,257	44%	\$15,540	\$10,265
	Employee	\$0	\$0	N/A	\$0	N/A	\$0	N/A	\$0	\$0
Prisons and Detention	Commercial	\$1,677	\$1,702	102%	\$1	0%	(\$26)	(2%)	\$11,387	\$10,483
	Employee	\$0	\$0	N/A	\$0	N/A	\$0	N/A	\$0	\$0
Total		\$17,000	\$12,463	73%	\$12	0%	\$4,525	27%	\$62,471	\$55,589

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 3 provides cumulative (FYs 2004 through 2014) payment recapture audit activities information, current year (FY 2014) information, and recovery rate targets for three years. As mentioned, the lower recovery rate for employee payments in one of the five programs is attributed in part to statutory limits that extend the time frame for federal salary offsets, and the lower rate for grants is attributed in part to factors that extend the time frame for receiving recovered grant funds. In FY 2015, the Department will focus on improving the recovery rate for grants and employee payments, to the extent improvements are within the Department's control, and sustaining the high recovery rates for all other types of payments.

Table 3
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 2014)			Current Year (FY 2014)			Recovery Rate Targets		
		Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	Improper Payments Identified for Recovery	Improper Payments Recovered	Recovery Rate	FY 2015	FY 2016	FY 2017
Administrative, Technology, and Other	Commercial	\$3,840	\$3,486	91%	\$686	\$552	80%	87%	87%	87%
	Custodial	\$0	\$0	N/A	\$0	\$0	N/A	87%	87%	87%
	Employee	\$2	\$2	100%	\$2	\$2	100%	85%	85%	85%
Litigation	Commercial	\$6,751	\$6,675	99%	\$2,230	\$2,214	99%	87%	87%	87%
	Employee	\$15	\$13	87%	\$15	\$13	87%	85%	85%	85%
Law Enforcement	Commercial	\$29,656	\$29,201	98%	\$2,160	\$2,124	98%	87%	87%	87%
	Employee	\$258	\$139	54%	\$258	\$139	54%	85%	85%	85%
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$300	\$300	100%	\$290	\$290	100%	87%	87%	87%
	Commercial	\$365	\$363	99%	\$2	\$4	200%	87%	87%	87%
	Grants and Cooperative Agreements	\$25,220	\$15,688	62%	\$9,680	\$5,423	56%	85%	85%	85%
	Employee	\$0	\$0	N/A	\$0	\$0	N/A	85%	85%	85%
Prisons and Detention	Commercial	\$13,064	\$12,185	93%	\$1,677	\$1,702	102%	87%	87%	87%
	Employee	\$0	\$0	N/A	\$0	\$0	N/A	85%	85%	85%
Total		\$79,471	\$68,052	86%	\$17,000	\$12,463	73%			

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 4 provides the aging schedule for the Department’s overpayments that were outstanding (not recovered) as of the end of FY 2014. Of the approximate \$1.7 million in overpayments that were outstanding for more than a year, approximately \$1.2 million (or approximately 71 percent) have been referred to Treasury for collection.

Table 4
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	\$156	\$0	\$198
	Custodial	\$0	\$0	\$0
	Employee	\$0	\$0	\$0
Litigation	Commercial	\$52	\$3	\$10
	Employee	\$2	\$0	\$0
Law Enforcement	Commercial	\$385	\$6	\$31
	Employee	\$90	\$29	\$0
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$0	\$0	\$0
	Commercial	\$2	\$0	\$0
	Grants and Cooperative Agreements	\$4,276	\$889	\$681
	Employee	\$0	\$0	\$0
Prisons and Detention	Commercial	\$43	\$0	\$774
	Employee	\$0	\$0	\$0
Total		\$5,006	\$927	\$1,694

- ii. A summary of how cumulative amounts recovered 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 5 provides the disposition information for the improper payments the Department recovered in FY 2014. As shown in the table, approximately \$12.4 million of the approximate \$12.5 million recovered (or 99 percent) was returned to the original funds from which the payments were made.

Table 5
Disposition of FY 2014 Recovered Funds
(Dollars in Thousands)

DOJ Mission-Aligned Program	Type of Payment (includes only the types made per program)	Improper Payments Recovered in FY 2014	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	\$552	\$552						
	Custodial	\$0							
	Employee	\$2	\$2						
Litigation	Commercial	\$2,214	\$2,214						
	Employee	\$13	\$13						
Law Enforcement	Commercial	\$2,124	\$2,124						
	Employee	\$139	\$139						
State, Local, Tribal, and Other Assistance	Benefit and Assistance	\$290	\$290						
	Commercial	\$4	\$3		\$1				
	Grants and Cooperative Agreements	\$5,423	\$5,417						\$6
	Employee	\$0	\$0						
Prisons and Detention	Commercial	\$1,702	\$1,655		\$43				\$4
	Employee	\$0	\$0						
Total		\$12,463	\$12,409		\$44				\$10

- 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 either “Note” or by “N/A” in the relevant column or cell.

The Department’s payment recapture audit program leverages both internal and external efforts to identify improper payments. The reporting in Tables 2B through 6 is inclusive of all overpayments, regardless of whether they were identified through internal or external sources. Table 6 provides information on the overpayments that were identified in the current year (FY 2014), previous year (FY 2013), and cumulatively (FYs 2011 through 2014) 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 2014 only, as agencies were not required to track this level of detail prior to FY 2011.

Table 6
Sources of Identifying Overpayments
(Dollars in Thousands)

Source	Current Year (FY 2014)		Previous Year (FY 2013)		Cumulative (FYs 2011 through 2014)	
	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered	Improper Payments Identified	Improper Payments Recovered
Internal Efforts	\$7,010	\$5,498	\$10,211	\$9,376	\$25,235	\$22,624
Auditors (e.g., by the OIG or audits for OMB Circular A-133)	\$7,869	\$5,219	\$6,520	\$3,590	\$22,317	\$15,043
Vendors	\$1,493	\$1,473	\$4,745	\$4,663	\$10,437	\$10,466
Payment Recapture Audit Contractors	\$628	\$273	\$505	\$494	\$1,133	\$778
Total	\$17,000	\$12,463	\$21,981	\$18,123	\$59,122	\$48,911

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 2014 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 performed the required testing in FY 2014 to obtain a statistically valid estimate of the annual amount of improper payments made with Disaster Relief Act funds. The results identified no improper payments, thus the requirement to implement an improper payments reduction plan is not applicable.

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 2014 Department-wide risk assessment demonstrated that, overall, the Department has sufficient internal controls over disbursement activities to prevent 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 2014, all Departmental components reported 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, which 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 provide for 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 IPIA, as amended, 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 2015, the Department will continue its efforts to further reduce improper payments.

Item X. Agency reduction of improper payments with the Do Not Pay Initiative. The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), Public Law 112-248, requires OMB to submit to Congress an annual report, "which may be included as part of another report submitted to Congress by the Director, regarding the operation of the Do Not Pay Initiative, which shall: (A) include an evaluation of whether the Do Not Pay Initiative has reduced improper payments or improper awards and (B) provide the frequency of corrections or identification of incorrect information." To support this requirement, agencies shall provide a brief narrative discussing the agency's actions attributable to the Do Not Pay Initiative and respective databases, to include an evaluation of whether the Do Not Pay Initiative has reduced improper payments or improper awards; identifying the frequency of corrections or identification of incorrect information; and include completion of the table that follows (Table 7).

The narrative should describe:

- A. How the agency has incorporated the IPERIA listed Do Not Pay databases into existing business processes and programs (e.g., online searches, batch processing, or continuous monitoring), or how and when the agency plans to begin using the database, as appropriate. The databases include:

1. the Death Master File of the Social Security Administration (DMF),
2. the General Services Administration's Excluded Parties List System (EPLS) (or the updated System for Award Management (SAM)),
3. the Debt Check Database of the Department of the Treasury (Debt Check),
4. the Credit Alert System or Credit Alert Interactive Voice Response System of the Department of Housing and Urban Development (CAIVRS),
5. the List of Excluded Individuals/Entities of the Office of Inspector General of the Department of Health and Human Services (LEIE), and
6. the Prisoner Update Processing System of the Social Security Administration (PUPS), as added to IPERIA by the Bipartisan Budget Act of 2013, Public Law 113-67;

The Department does not have any loan programs, and its benefit programs consist of payments to recipients who are screened thoroughly during the application process. The Department's vendor payments are made following a review of vendor eligibility in the System for Award Management (SAM), as required by the Federal Acquisition Regulation (FAR). Therefore, the Department's implementation of the Do Not Pay (DNP) Portal has primarily consisted of post-payment screening and vendor table reconciliations. The following table summarizes how the Department uses the IPERIA listed DNP databases.

**Table 7A
Department of Justice Use of Do Not Pay Databases**

DNP Database	DOJ Use	Comments
Death Master File	Post-payment comparison (including benefits, grants, vendor payments, and employee payments) as part of Payment Integration reporting.	The Department identified two improper payments in FY 2014 made to deceased benefit recipients.
Excluded Parties List System (SAM Exclusions)	Contracting Officers use SAM Exclusions as part of the pre-award vendor screening process. Grant-making components may optionally use SAM Exclusions as part of the grant application review process.	Unavailability of the version of SAM Exclusions containing taxpayer ID information has prevented the Payment Integration process from conclusively matching vendor payments. The Department has not identified any improper payments through Payment Integration or the DNP Portal.
Debt Check Database	Not applicable to DOJ programs.	
Credit Alert Interactive Voice Response System	Not applicable to DOJ programs (no loan programs).	
List of Excluded Individuals/Entities	Not applicable to DOJ programs (except as included in SAM Exclusions and used by Contracting Officers for pre-award vendor screening).	
Prisoner Update Processing System	Not applicable to DOJ programs.	

B. Actions initiated under the Do Not Pay initiative, and the frequency of those actions, to prevent improper payments pre-award/pre-enrollment, pre-payment, and post-payment; this may include agency internal checks (e.g., agencies that receive the DMF directly from SSA), the use of the Treasury “Do Not Pay System,” the reconciliation of matches, use of post-payment information to improve preventative control measures, or other actions as appropriate;

Actions to prevent improper payments include:

- Following FAR requirements for pre-award review of vendors (frequency: prior to award of each contract or task order),
- Pre-payment review of grant and benefit applications for appropriateness and authenticity (frequency: before award and payment of grant and benefit disbursements), and
- Post-payment review of any conclusive DMF matches (monthly).

In addition, the Department’s ongoing internal control assessment activities for OMB Circular A-123 evaluate the design and operating effectiveness of internal controls related to the procurement, disbursement, and grants management processes to help prevent improper payments.

C. The frequency of corrections or identification of incorrect information provided to original source agencies (as described in OMB Memorandum M-13-20) (Note: this applies only to original source agencies and Treasury); and

The Department is a source agency for CAIVRS. However, during FY 2014, the Department’s CAIVRS data was not yet part of the data provided to DNP. Therefore, there have been no corrections or incorrect data identified as part of this process.

D. Include the table reflecting the dollar amounts and the number of payments reviewed for improper payments between October 1 through September 30 (FY). For FY 2014, Agencies should complete the first row of the table by identifying in numbers and dollars reviews only with the DMF.

Table 7B
Implementation of the Do Not Pay Initiative to Prevent Improper Payments
(Dollars in Thousands)

Reviews	Number of Payments Reviewed for Improper Payments	Dollars of Payments Reviewed for Improper Payments	Number of Payments Stopped	Dollars of Payments Stopped	Number of Improper Payments Reviewed and Not Stopped	Dollars of Improper Payments Reviewed and Not Stopped
Reviews with the DMF	1,293,249	\$13,069,876	0	\$0	2	\$125

For reporting purposes, the kind of data in question would include:

1. **Payments reviewed for improper payments:** all payments screened by Do Not Pay Initiative or other internal databases, as appropriate, that are disbursed by, or on behalf of, the agency.
2. **Payments stopped:** payments that were intercepted or were not disbursed due to the Do Not Pay Initiative.
3. **Improper payments reviewed and not stopped:** payments that were reviewed by the Do Not Pay databases disbursed, and later identified as improper.

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

BBBSA	Big Brother Big Sisters of America
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

CAIVRS	Credit Alert Interactive Voice Response System
CFO	Chief Financial Officer
CHIP	Computer Hacking and Intellectual Property
CHRP	COPS Hiring Recovery Program (under Recovery Act)
CIA	Central Intelligence Agency
CIV	Civil Division
COPS	Office of Community Oriented Policing Services
CPCLO	Chief Privacy and Civil Liberties Officer
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

D

DCM	Debt Collection Management
DEA	Drug Enforcement Administration

Department, The	Department of Justice
Disaster Relief	Disaster Relief Appropriations Act of 2013Act
DMF	Death Master File
DNP	Do Not Pay
DOJ	Department of Justice

E

ENRD	Environment and Natural Resources Division
EOIR	Executive Office for Immigration Review
EOUSA	Executive Office for U.S. Attorneys
EPLS	Excluded Parties List System

F

FAR	Federal Acquisition Regulation
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
FMIS2	Financial Management Information System 2
FMPM	Financial Management Policy Memorandum
FOIA	Freedom of Information Act
FPI	Federal Prison Industries, Inc.
FTE	Full-Time Equivalent
FY	Fiscal Year

G

GAO	Government Accountability Office
GAN	Grant Adjustment Notice
GMRA	Government Management Reform Act
GPR	Government Performance and Results Act
GPRAMA	GPR Modernization Act of 2010
GPRS	Grant Payment Request System
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System

H

HCV Hepatitis C Virus

I

IC Intelligence Community
IG Inspector General
Integrity Act Federal Managers' Financial Integrity Act
INTERPOL International Criminal Police Organization
IPERA Improper Payments Elimination and Recovery Act
IPERIA Improper Payments, Elimination and Recovery Improvement Act
IPIA Improper Payments Information Act
IPOL INTERPOL Washington
ISIL Islamic State of Iraq and the Levant
IT Information Technology
IUS Internal Use Software

J

JMD Justice Management Division

K

KG Kilogram

L

LCM Lower of average cost or market value
LEIE List of Excluded Individuals/Entities
LLP Limited Liability Partnership

M

MVRA Mandatory Victims Restitution Act

N

N/A Not Applicable
NCIJTF National Cyber Investigative Joint Task Force
NGC Next Generation Cyber Initiative
NIBIN National Integrated Ballistic Information Network
NICS National Instant Criminal Background Check System

NIJ	National Institute of Justice
NIST	National Institute of Standards and Technology
NSA	National Security Agency
NSD	National Security Division
NSCS	National Security Cyber Specialist
NSL	National Security Letter

O

OBDs	Offices, Boards and Divisions
OCDETF	Organized Crime Drug Enforcement Task Forces
ODAG	Office of the Deputy Attorney General
ODNI	Office of the Director of National Intelligence
OFC	Organized Crime Drug Enforcement Task Forces Fusion Center
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
OPCL	Office of Privacy and Civil Liberties
OPM	Office of Personnel Management
OPR	Office of Professional Responsibility
OSG	Office of the Solicitor General
OTJ	Office of Tribal Justice
OVP	Office of the Vice President
OVW	Office on Violence Against Women

P

PHS	Public Health Services
POGO	Project on Government Oversight
PRAO	Professional Responsibility Advisory Office
PREA	Prison Rape Elimination Act
PSOB Act	Public Safety Officers' Benefits Act of 1976
PUPS	Prisoner Update Processing System
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

SADF	Seized Asset Deposit Fund
SAM	System Award Management
SAUSA	Special Assistant U.S. Attorney
SBF	Special Benefits Fund
SBR	Statement of Budgetary Resources
SFFAS	Statement of Federal Financial Accounting Standards
SG	Strategic Goal

T

TAX	Tax Division
Trust Fund	Federal Prison Commissary Fund

U

UAS	Unmanned Aircraft Systems
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
USMS	United States Marshals Service
USPC	United States Parole Commission
USSGL	U.S. Standard General Ledger
UST	United States Trustees

V

VOI/TIS	Violent Offender Incarceration and Truth-In Sentencing
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W

WITSEC	Witness Security
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APPENDIX C

Department Component Websites

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

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