

OCFO'S RESPONSE

U.S. Department of Labor

Office of the Chief Financial Officer



May 12, 2016

MEMORANDUM FOR: **ELLIOT P. LEWIS**
Assistant Inspector General for Audit

FROM: 
GEOFFREY KENYON
Principal Deputy Chief Financial Officer

SUBJECT: Response to the Office of the Inspector General's "DOL Could Do More to Reduce Improper Payments and Improve Reporting", Report No. 03-16-002-13-001

The Office of the Chief Financial Officer (OCFO) would like to thank the Office of the Inspector General (OIG) for its annual review of the Department's compliance with Improper Payment Elimination and Recovery Improvement Act (IPERA) requirements and for the opportunity to respond to its draft Fiscal Year (FY) 2015 report entitled "*DOL Could Do More to Reduce Improper Payments and Improve Reporting*", (Report No. 03-16-002-13-001).

The Department is strongly committed to being a responsible steward of public funds, and we take very seriously our obligations under the IPERA and other statutes to reduce improper payments in the Unemployment Insurance (UI), Federal Employees' Compensation Act (FECA), and other programs.

The Department has implemented a number of important steps in the past several years - many of which are outlined in the OIG report - to reduce improper payments, improve reporting, and build capacity in states to enhance their detection, prevention, and recovery of improper payments. These efforts have helped reduce the Department's overall reported improper payment rate from 10.57 percent in FY 2014 to 9.47 percent in FY 2015. In light of these efforts, the Department appreciates that the OIG had no new recommendations and has revised a previous recommendation in response to evidence provided by OCFO and the FECA program.

The Department will continue its focus on program integrity improvement and take cost-effective measures to minimize risk. Additionally, we acknowledge the OIG's recommendations from previous reviews. For more information on the Department's responses to these recommendations, please see our response to the OIG's FY 2014 IPERA compliance review published as Report No. 03-15-001-13-001¹. OCFO looks forward to working with OIG, FECA, UI, and other responsible program agencies to ensure continued improvement.

Again, thank you for your annual review and the opportunity to comment on the draft FY 2015 report. If you have any further questions or require additional information on the Department's program integrity efforts, please contact Chris Polen or myself at (202) 693-6800.

¹ "DOL Could Do More to Reduce Improper Payments and Improve Reporting", (Report No. 03-15-001-13-001), <https://www.oig.dol.gov/public/reports/oa/2015/03-15-001-13-001.pdf>.