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August 23, 2017

The Honorable Jim Mattis
Secretary
U.S. Department of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Mr. Secretary:

I am writing to request information from the Department of Defense (DoD) regarding its efforts to improve the collection and reporting of improper payments.

A recently published report by the DoD Office of the Inspector General (OIG) reviewed the agency's compliance with the Improper Payments Elimination and Recovery Act (IPERA) for FY 2017. The OIG report found that DoD failed to comply with five out of six statutory requirements. For example, according to the OIG's report, DoD failed to publish the required Agency Financial Report (AFR) on time due to "unresolved" disagreement over the accounting of specific transactions. Furthermore, the agency did not conduct the necessary risk assessments and publish improper payment estimates for two of its programs – DoD Travel Pay and U.S. Army Corps of Engineers Travel Pay. OIG found that for these same programs, DoD failed to meet the requirements to achieve the reduction target. In response to the OIG report, DoD defended its actions stating "we consider the improper payments program, as a whole, to be fundamentally sound."¹

OIG's report included several recommendations to DoD regarding their compliance with IPERA standards and other similar laws. While DoD concurred with all of the IG's recommendations, DoD has not submitted a plan to Congress, as required by IPERA Section 3, and does not expect to do so until November 15, 2017.² DoD provided status reports on reforms to OIG indicating that many of its reform efforts still ongoing. Following the release of OIG's report and DoD's response, several questions remain regarding the agency's ongoing compliance with IPERA.

¹ U.S. Department of Defense Office of Inspector General, *The DoD Did Not Comply With the Improper Payment Elimination and Recovery Act in FY 2016* (DODIG- 2017-078) (May 8, 2017).

² *Id.*

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In order to better understand DoD's efforts to improve compliance with improper payment regulations, please provide a written response to the following questions to my office not later than September 13, 2017:

1. Please provide an update on DoD's status of implementing OIG's recommendations to reform agency compliance with IPERA for FY 2017, including whether the stated deadlines in DoD's action plan have been met, are on track for completion, or have been adjusted.
2. Please describe any other steps, beyond implementing OIG's recommendations, that DoD has taken to address and reduce improper payments.

If you have any questions please contact Donald Sherman with my staff at (202) 224-8316 or Donald_Sherman@hsgac.senate.gov. Please send any official correspondence related to this request to Amanda Trosen at Amanda_Trosen@hsgac.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Claire McCaskill
Ranking Member

cc: Ron Johnson
Chairman