

# Payment Integrity (*Unaudited*)

## Background

Per OMB A-136, agencies must report information on payment integrity, disclosing payments that were processed correctly and those payments that were improper. The Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA, Pub. L. 112-248), amends the Improper Payments Information Act of 2002 (IPIA), Pub. L. 107-300) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA, Pub. L. 111-204). It provides guidance on monitoring and reporting improper payments. IPERIA requires agencies to annually report information on improper payments to the President and Congress and to continue their review of programs and activities annually to identify those susceptible to significant improper payments. OMB defines significant improper payments as gross annual improper payments in a program exceeding both the threshold of 1.5 percent and \$10 million of improper program payments, or \$100 million in program improper payments regardless of percentage.

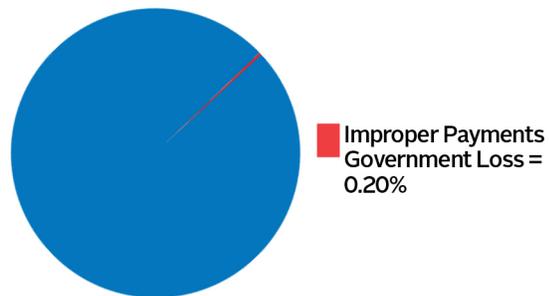
In June 2017, with GSA OIG's concurrence, GSA requested OMB's approval to remove the Hurricane Sandy Disaster Relief Fund program from the annual requirement to estimate improper payments in accordance with OMB M-15-02. OMB reviewed and approved the request. For FY 2017, GSA is required to report on the Rental of Space and the Purchase Card programs.

### Purchase Cards Results

GSA achieved an improper payment rate for Purchase Cards of 4.47 percent in FY 2017 while meeting all of the Purchase Card compliance requirements, including the target rate. GSA estimates that only 0.20 percent of Purchase Card

payments made by GSA resulted in a monetary loss to the government. The remaining 4.27 percent are improper payments caused by documentation or administrative errors. For these errors the full value of the payment is recognized as improper. Monetary loss to the Government is an amount that should not have been paid and should be recovered. The chart below shows total purchase card payments and the percentage of monetary loss to the government.

### Improper Payments Purchase Cards - Monetary Loss to Government



### Rental of Space Results

For the past several years, GSA set overly aggressive improvement goals for improper payments in this category, and assumed the level would reduce by 41% in 2015, 80 percent in 2016, and 79% in 2017. The target rates for Rental of Space were 1.02 percent in FY 2014, 0.60 percent in FY 2015, 0.119 percent in FY 2016, and 0.025 percent in FY 2017. As a result of these aggressive targets, which were set in prior years, GSA missed the targets in FY 2016 and FY 2017.

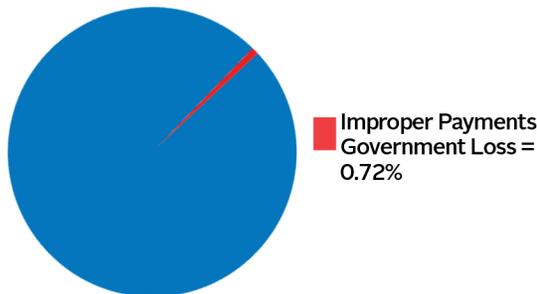
In order to achieve the FY 2017 target, GSA would have had to reach 99.975 percent in proper payments (i.e., have less than \$1.37M in improper

payments out of approximately \$5.49B of payments). GSA worked with OMB to set a more realistic target rate for FY 2018 improper payments that is still much better than the government average. This is reflected in the governmentwide 2016 Payment Accuracy Rate found on <https://paymentaccuracy.gov/>. This link contains information on improper payments that was reported in previous AFRs.

Based on our sample results, we estimate that GSA's FY 2017 improper payment rate for Rental of Space is 1.96 percent. Although GSA missed the target rate, it was compliant in five of six requirements for the Rental of Space Program.

GSA estimates that 0.72 percent of Rental of Space payments made by GSA resulted in a monetary loss to the government. The chart below shows total Rental of Space payments and the percentage of monetary loss to the government.

**Improper Payments Rental of Space - Monetary Loss to Government**



GSA's Rental of Space program exceeded the 1.5 percent and \$10 million in improper payments thresholds making it significant based on the current definition of improper payments in IPERA. The current improper payment numbers include payments to vendors with an expired System for Award Management (SAM) registration at the time of payment.

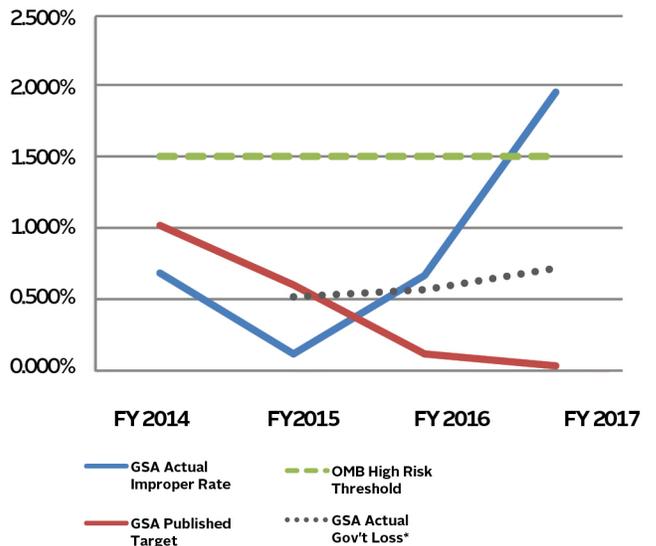
SAM is a Federal Government owned and operated system that consolidated the capabilities of the Central Contractor Registration (CCR)/FedReg, Online Representations and Certifications Application (ORCA) and the Excluded Parties List System

(EPLS). Both current and potential government vendors are required to register in SAM.

GSA is required to make payments based on lease agreements regardless of the status of the vendor's SAM registration; however, we are reporting these payments as improper if the lessor's registration is not active at the time of payment. These errors do not involve monetary loss to the government since GSA is not establishing a claim and seeking recovery. Although not registered in SAM at the time of payment, they were not on the "Government's Do Not Pay List" (DNP) and the vendor was registered at the time of the award.

The following graph displays the trend analysis for GSA's improper payment rates, government-loss rates, published targets, and OMB's published threshold for the last several years. Notably, GSA's 2016 actual improper payment rate is below the 2016 4.67 percent overall improper rate government average.

**Rental of Space - Actual to Target Rate Comparison**



\* Amounts are based on reviewing higher amount of government loss amounts estimated from statistical sampling or actual improper payment overpayment reports. The amounts do not represent official comparison of year to year numbers but are displayed to show the consistent trend that Rental of Space government loss type improper payments are below the 1.5% threshold.

**Ongoing Actions**

GSA has demonstrated a commitment to reducing improper payments by completing a FY 2017 Corrective Action Plan (CAP). In FY 2017, GSA's PBS National Office of Leasing developed written guidance, training, and oversight of consistent standard procedures for the administration of leases. This Office also became the primary liaison to coordinate recommendations resulting from our payment recapture audit.

In May 2017, GSA's OCFO established a continuous monitoring corrective action group. The group includes representatives from the OCFO, the PBS National Office of Leasing, and GSA's Federal Shared Service Provider (FSSP). This multi-office working group meets monthly to discuss improper payment error types, options for reducing improper payments, and ways to standardize business processes.

GSA provides the following improper payment reporting details in accordance with IPERIA, OMB Circular A-123, Appendix C, Requirements for Effective Estimation and Remediation of Improper Payments, and OMB Circular A-136, Financial Reporting Requirements.

**1. Risk Assessment**

IPERIA requires all agencies to conduct a thorough review of their programs and activities that may be susceptible to improper payments annually, and requires that a re-baseline and review assessment be conducted at least once every three years for all programs not currently identified as high-risk. GSA's last review of employee payments including travel was conducted in FY 2014. GSA completed the required risk assessment for employee payments including travel in FY 2017. Employee payments include salaries, locality pay, overtime pay, and awards. Travel payments include temporary duty, local travel, and relocation payments.

The evaluation for susceptibility of programs making significant improper payments was determined by qualitative and quantitative factors. The qualitative factors included:

- Whether the program or activity reviewed is new to the agency;
- The complexity of the program or activity reviewed, particularly with respect to determining correct payment amounts;
- The volume of payments made annually;
- Whether payments or payment eligibility decisions are made outside of the agency, for example, by a State or Local government, or a regional Federal office;
- Recent major changes in program funding, authorities, practices, or procedures;
- The level, experience, and quality of training for personnel responsible for making program eligibility determinations or certifying that payments are accurate;
- Inherent risks of improper payments due to the nature of agency programs or operations;
- Significant deficiencies in the audit reports of the agency including, but not limited to, the agency Inspector General or the U.S. Government Accountability Office (GAO) audit report findings, or other relevant management findings that might hinder accurate payment certification; and
- Results from prior improper payment work.

A weighted quantitative average of risk conditions based on input from these qualitative factors was calculated. This figure was then weighted with the size of the payment population to calculate an overall risk score. The risk assessment identified no additional programs or activities susceptible to significant improper payments. See Table 9, Programs Susceptible to Significant Improper Payments During FY 2017 Risk Assessment. GSA's last review of programs and activities outside of employee payments including travel was conducted in FY 2015. GSA will perform a risk assessment in FY 2018 on these other programs and activities.

## 2. Statistical Sampling

For FY 2017, GSA measured, estimated, and reported improper payment percentage and dollars for the two high-risk programs, Rental of Space and Purchase Cards. A stratified sampling design was used to test payments based on FY 2016 disbursements. A statistician designed the statistical sample plans and the extrapolation of sample errors across the payment populations.

The sampling plan provided an overall estimate of the percentage of improper payment dollars within +/- 2.5 percent precision at the 95 percent confidence level, as specified by OMB M-15-02 guidance. Using a stratified random sampling approach, payments were grouped into mutually exclusive strata, or groups based on total dollars. These stratified samples provide greater precision than a simple random sample of the same size.

The following procedure describes the sample selection process:

- Grouped payments into mutually exclusive strata based on the sample design;
- Using a random number generator, assigned each payment a random number;
- Sorted the population by stratum and random number within stratum; and
- Selected the number of payments within each stratum (by ordered random numbers) following the sample size design. For some strata, all payments were selected.

To estimate improper payment dollars for the population from the sample data, the stratum specific ratio of improper to total payment dollars was calculated.

## 3. Improper Payment Reporting

In FY 2017, GSA requested relief as allowed under OMB M-15-02 from the annual reporting requirements for the Hurricane Sandy Disaster Relief

Fund. OMB reviewed and approved our request.

See **Table 1** for Improper Payment Reduction Outlook and **Table 2** Current Year (CY) Estimate Statistical Information.

See **Table 4** for GSA estimates of the improper payments monetary loss to the Federal Government for Rental of Space and Purchase Cards.

See **Table 8** for the amount of confirmed fraud within fiscal year 2017.

## 4. Improper Payment Root Cause Categories

The improper payment assessment identified the root cause for improper payments for the Rental of Space and Purchase Card programs.

See **Table 3** Improper Payment Root Cause Category Matrix and corrective actions.

## 5. Accountability

For all programs and activities with improper payments exceeding the statutory thresholds, accountable officers, program official/owner, and States and localities (where appropriate) are held accountable for reducing and recapturing improper payments through annual performance appraisal criteria. GSA has one program, Rental of Space, which exceeds the improper payment statutory thresholds and is susceptible to significant improper payments. GSA has designated the Chief Financial Officer as the accountable official for Rental of Space compliance at the agency. Enhancing program integrity is a top priority throughout GSA. This includes all GSA executives and program officials. GSA performance plans contain strategic goals that are related to improving program integrity and reducing improper payments. GSA Senior Executives and program officials are evaluated on the progress of achieving these goals and are held accountable for properly following improper payment related policies and procedures.

## 6. Agency Information Systems and Other Infrastructure

For all programs and activities with improper payments exceeding the statutory thresholds agencies shall 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. GSA has the information systems and other infrastructure it needs to reduce improper payments. It leverages IT communication and collaboration technologies such as Google Docs/Spreadsheets and Meeting Space to operate at a high level and obtains GSA IT support as needed.

GSA has resources committed to complete assigned initiatives to achieve the OCFO's long-term goals. GSA continuously analyzes the OCFO's financial management and internal control improvement goals and objectives. GSA has identified key staff positions and has identified a succession plan for these key positions. All staff mandatory training relates to key aspects of roles and responsibilities. GSA increased funding in FY 2017 for training related to forensic accounting.

GSA has implemented several internal control policies and procedures to ensure all management directives achieve their objectives and risks are effectively addressed. GSA coordinates with various offices and stakeholders across the Agency to identify proper control activities that are in place or that need to be implemented.

## 7. Barriers

For all programs and activities with improper payments exceeding the statutory thresholds agencies shall 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.

For Rental of Space GSA has not identified any statutory or regulatory barriers, which may limit GSA's

ability to implement corrective actions to reduce improper payments.

## 8. Recapture of Improper Payments Reporting

GSA establishes claims in accordance with the Debt Collection Improvement Act of 1996 (DCIA). Unsatisfied debt is referred to the Treasury Offset Program for further collection efforts. **See Table 5**, Overpayment Payment Recaptures with and without Payment Recapture Programs.

GSA's payment recapture audit identifies claims related to the Rental of Space program. This program is funded through a revolving fund. Therefore, funds recaptured are credited back to their original purpose. **See Table 6**, Disposition of Funds Recaptured Through Payment Recapture Audit and **Table 7** Aging of Outstanding Overpayments Identified in the Payment Recapture Audit Programs

## 9. Additional Comments

The FY 2016 statutory audit of GSA's improper payment reporting identified concerns with GSA's Rental of Space target reduction rates, errors in the testing and reporting processes, and weaknesses in the continuous monitoring approach. GSA developed and executed a corrective action plan in FY 2017 to address these concerns. Efforts include implementing a new review and testing process for the reporting of improper payment data.

## 10. Improper Payment Tables

**Table 1** details the FY 2017 improper payment amounts and rates for Rental of Space and Purchase Cards as well as the projected outlays and targeted improper payment amount and rate for FY 2018. Since Hurricane Sandy Disaster Relief funds were granted relief from reporting, GSA only provides the prior year improper payment data for this program.

**Table 1 Improper Payment Reduction Outlook (\$ in millions)**  
12 month Sampling Timeframe for FY 2017 data

Program Name	FY2016 Outlays (\$M)	FY 2016 IP Amount (\$M) <sup>1</sup>	FY 2016 IP Rate <sup>1</sup>	FY 2017 Outlays (\$M)	FY 2017 IP Amount (\$M) <sup>2</sup>	FY 2017 IP Rate <sup>4</sup>	FY 2017 Over-payment \$	FY 2017 Under-payment \$	FY 2018 Est. Outlays <sup>5</sup>	FY 2018 Est. IP % <sup>6</sup>	FY 2018 Est. IP \$	Start Date for data	End date for data
Rental of Space	\$ 5,596.30	\$ 37.20	0.66%	\$ 5,486.41	\$ 107.80	1.96%	\$ 107.40	\$ 0.40	\$ 5,680.90	1.80%	\$ 102.26	10/1/2015	9/30/2016
Purchase Cards	\$ 27.05	\$ 1.57	5.80%	\$ 28.56	\$ 1.28	4.47%	\$ 1.28	\$ 0.00	\$ 27.06	4.47%	\$ 1.21	10/1/2015	9/30/2016
Hurricane Sandy Disaster Relief Funds <sup>3</sup>	\$ 0.42	\$ 0.00	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$ 5,623.77</b>	<b>\$ 38.77</b>	<b>0.69%</b>	<b>\$ 5,514.97</b>	<b>\$ 109.08</b>	<b>1.98%</b>	<b>\$ 108.68</b>	<b>\$ 0.40</b>	<b>\$ 5,707.96</b>	<b>1.81%</b>	<b>\$ 103.47</b>	<b>10/1/2015</b>	<b>9/30/2016</b>

<sup>1</sup> The Rental of Space improper payment percentages reflect corrections to the FY 2016 AFR identified in the FY17 OIG Audit Report (Report Number A160141/B/5/F17001).

<sup>2</sup> To determine improper payments for Rental of Space, GSA compares Lease Digest Actions (GSA Form R620) to actual payments in Pegasys, GSA's financial accounting system, for discrepancies. To determine improper payments for purchase cards, GSA ensures that the purchase card is used properly and for legitimate government needs and that purchases are properly approved, have all required supporting documentation, and are properly recorded in Pegasys.

<sup>3</sup> GSA requested and received relief from reporting of Hurricane Sandy Disaster Relief Funds in FY 2017.

<sup>4</sup> The rental of space improper payment rate assumes that payments made to lease vendors with expired SAM registration are improper, although payments are still required. The improper payment rate excluding these payments is .72% (\$39.43M) for Rental of Space.

<sup>5</sup> For Rental of Space and Purchase Cards the outlays are based on 2017 outlays since our testing is based on data one year behind the FY reporting period. For Rental of Space, per the Director - Budget Control, Oversight, and Formulation Division, outlays are based on the unadjusted outlays from the Federal Building Fund. For Purchase Cards this information is not reported in the President's Budget; it is derived from the three year historical average.

<sup>6</sup> GSA believes these target rates are aggressive and realistic. For Rental of Space, based on this year's improper payment rate of 1.96% and upper bound of 3.91%, establishing a target rate of 1.80% for FY 2018 would reduce the improper payment rate by 8%, showing GSA's commitment to reducing improper payments, while acknowledging there is a risk that improper payments may occur at the upper bound. Regarding Purchase Cards, the target rate for FY 2017 was 5.33%. GSA achieved a 4.47% rate with an upper bound of 6.24%. Establishing a target rate of 4.47% shows commitment to keeping improper payments at a low level, while acknowledging the risk that improper payments may occur at the upper bound.

In **Table 2** below, GSA provides the estimated variance, the confidence level, and the precision level for each program current year estimate.

**Table 2 CY Estimate Statistical Information**

Program or Activity	CY Estimate Variance	CY Confidence Level	CY Precision Level
Purchase Cards	\$256,770.87	95%	1.77%
Rental of Space	\$54,255,984.20	95%	1.95%
<b>TOTAL<sup>1</sup></b>	<b>\$54,256,591.79</b>	<b>95%</b>	<b>1.94%</b>

<sup>1</sup> This total is a statistical projection for GSA and not a total of the individual Rental of Space and Purchase Cards cells.

The improper payment assessment identified the root cause for improper payments for the Rental of Space and Purchase Card programs. Rental of Space root causes include missing documentation and late submission of supporting documentation. Purchase card root causes include insufficient documentation, documentation not provided, lack of approval,

lack of receipt, sales tax paid, convenience fee, and erroneous charges made by a purchase card vendor.

**Table 3** identifies the root cause for improper payments for the Rental of Space and Purchase Card programs.

**Table 3 Improper Payment Root Cause Category Matrix (\$ in millions)**

Reason for Improper Payment		Rental of Space		Purchase Cards	
		Overpayments	Underpayments	Overpayments	Underpayments
Program Design or Structural Issue					
Inability to Authenticate Eligibility					
Failure to Verify:	Death Data				
	Financial Data				
	Excluded Party Data				
	Prisoner Data				
	Other Eligibility Data (explain) <sup>1</sup>	\$106.89		\$0.06	
Administrative or Process Error Made by:	Federal Agency	\$0.51	\$0.40		
	State or Local Agency				
	Other Party (e.g., participating lender, health care provider, or any other organization administering Federal dollars)				
Medical Necessity					
Insufficient Documentation to Determine				\$1.16	
Other Reason <sup>2</sup>				\$0.06	
<b>TOTAL</b>		<b>\$107.40</b>	<b>\$0.40</b>	<b>\$1.28</b>	<b>\$0.00</b>

<sup>1</sup> Amounts are attributed to payments made to vendors with expired SAM registration. Leases are not covered by the Federal Acquisition Regulation (FAR) for rental of space payments. For purchase cards the vendor was not registered.

<sup>2</sup> The Other Reason root cause category for purchase cards encompasses improper payments that occurred for the following reasons: Sales Taxes Paid and Erroneous Charges by Vendor.

## Corrective Actions Undertaken by GSA Programs

For programs and activities with improper payments exceeding the statutory thresholds the agency shall describe the corrective action plans for reducing the estimated improper payment rate and amount and each of the corrective actions should be clearly linked to the root cause(s) they are addressing. Agencies should also describe the results of actions taken to address the root causes and the planned or actual completion date of the actions taken to address each root cause. If the Agency does not have a corrective action for a particular root cause, it must provide justification for not having a corrective action.

### 1. Rental of Space

Testing identified the primary cause of improper payment errors in the Rental of Space program to

be GSA's failure to verify payment eligibility criteria relating to vendors not being properly registered in SAM at the time of payment. In April 2017, GSA worked with the U.S. Department of Agriculture (USDA), our FSSP, to identify the universe of leases with vendors and ensure proper SAM registration. USDA also updated its policies and procedures relating to improper payments.

In May 2017, GSA commenced the Continuous Monitoring Corrective Action Working Group to focus on reducing improper payments. The Working Group meets at least monthly and consists of one person from the PBS National Office of Leasing, one person from the USDA FSSP, and two people from the GSA OCFO. The Group reviewed the 2017 quarterly error reports, researching the error types and root causes of GSA errors over \$50,000.

Based on this Working Group, GSA has implemented several control enhancements, including: 1) updating improper payment related policies and procedures; 2) providing quarterly improper payment error report information to key GSA stakeholders; and 3) enhancing the communication over improper payment information through increased GSA OCFO, PBS National Office of Leasing, and USDA FSSP cross-meeting participation.

## 2. Purchase Cards

GSA's Purchase Card program does not exceed both the statutory threshold of 1.5 percent and \$10 million of total funding. GSA is not required to describe corrective action plans.

## Monetary Loss to the Government

In **Table 4** below, GSA estimates the total improper payments monetary loss to the Government for the Rental of Space and Purchase Cards programs. To estimate improper payment dollars by actual monetary loss to the Government GSA omits underpayments and overpayments not involving claims.

**Table 4 Improper Payment Classification (\$ in millions)**

Program or Activity	Actual Monetary loss to the Government identified in Sample	Estimated Total Monetary loss to the Government
Rental of Space <sup>1</sup>	\$39.43	\$39.43
Purchase Cards <sup>2</sup>	\$0.02	\$0.06
<b>TOTAL</b>	<b>\$39.45</b>	<b>\$39.49</b>

<sup>1</sup> Amount represents actual, validated recoverable overpayments from the sample plus overpayments identified from other sources. This amount is used since the government loss amount from our actual error reports is higher than that from our sampling estimate. Since this amount is not based on sampling the actual and the estimate are reported as the same number.

<sup>2</sup> Estimated amount for Purchase Cards based on same extrapolated procedures done in Table 1 except that underpayments and overpayments not involving claims were excluded from extrapolation model.

## Recapture of Improper Payments Reporting

In FY 2017, GSA OCFO complied with reporting improper payments in compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA), Public Law 111-204. GSA considered all programs and activities that expended \$1 million or more annually for payment recapture audits. GSA focused on reviewing the PBS Rental of Space program based on the risks identified from previous years. The objective was to detect and recover overpayments and other errors, and to identify opportunities for process improvement.

GSA's actions and methods used to recoup overpayments involve analyzing lease contracts, lease agreements, lease digest actions, and the development of a detailed monthly rental schedule from lease commencement to the most recent payment. This schedule is then compared to actual payments by month to determine if discrepancies exist. If discrepancies are discovered, they are quantified and identified as to nature and origin. A review of real estate tax adjustments is also done for each lease reviewed. Tax adjustments are reviewed for accuracy, with analysis of the Lessor's submission of tax bills, the GSA's calculation of adjustments and the actual payment of the adjustment.

The conditions giving rise to improper payments involve rent overpayments, rent credits, and real estate tax credits. These overpayments can be caused by calculation errors, administrative errors, system errors, failure to take the proper rent credits, failure to change rent on time or at all, and failure to terminate the lease timely. Overpayments related to real estate tax credits result from failure by the lessor to comply with the lease contract and submit tax bills or refunds, the complexity in determining the base year tax amount, and improperly determining which line items of the tax bill GSA is required to pay.

GSA is addressing these conditions through recent Lease Payment Audit refresher training and is now sending letters to all landlords re-affirming their

obligation to submit a tax bill each year. GSA also plans to implement a standard process across the nation in FY 2018 that requires analysts to review the current year tax bill for each lease. The treatment of real estate taxes will be facilitated by the PBS National Leasing Office and through IT enhancements.

In **Table 5** below, GSA includes each program or activity that either conducts a payment recapture audit or recaptures outside of the payment recapture audit process.

**Table 5 Overpayment Payment Recaptures with and without Recapture Audit Programs (\$ in millions)**

Does this include funds recaptured from a High-Priority Program (Y/N)	Program or Activity	Overpayments Recaptured through Payment Recapture Audits				Overpayments Recaptured outside of Payment Recapture Audits <sup>3</sup>	
		Amount Identified in FY 2017	Amount Recovered in FY 2017 <sup>1</sup>	Recapture Rate in FY 2017 <sup>2</sup>	FY 2018 Recapture Rate Target <sup>2</sup>	Amount Identified in FY 2017	Amount Recovered in FY 2017
N	Rental of Space	\$15.55	\$11.54	74%	79%	\$21.42	\$23.50
N	Other <sup>4</sup>					\$3.55	\$3.66
	<b>TOTAL</b>	<b>\$15.55</b>	<b>\$11.54</b>	<b>74%</b>		<b>\$24.97</b>	<b>\$27.16</b>

<sup>1</sup> Includes both recaptures of overpayments during FY 2017 and overpayments that were reported prior to FY 2017.

<sup>2</sup> The collections amount relates more to the amount identified over previous time period than to the quality in the collections process. A claim typically takes between 4 and 6 months to fully process after it is submitted. There was a smaller collections percentage (74%) in FY 2017 than in FY 2016 (106%) primarily because the amount identified in 2016 (\$13.29M) was lower than that identified in FY 2015 (\$28.28M). GSA is setting a realistic target rate of 79% for FY 2018.

<sup>3</sup> The amount identified and recovered in 2017 reflects overpayments involving claims and not payments involving documentation issues. GSA has over \$19M in payments to vendors without active Data Universal Numbering System (DUNS) registrations in SAM that have been classified as improper, but are not included hereon.

<sup>4</sup> Other includes several programs activities. Over 95% of the \$3.55 amount of the listed programs under Other relates to the following five program activities: building operations, R&A non-recurring reimbursements, all other costs, general activity for revenue/cost of sales.

GSA reports in **Table 6** the disposition of recaptured funds from the FY 2017 payment recapture audit.

**Table 6 Disposition of Funds Recaptured Through Payment Recapture Audit Programs (\$ in millions)**

Program or Activity	Amount Recaptured	Agency Expenses to Administer the Program	Payment Recapture Auditor Fees <sup>1</sup>	Financial Management Improvement Activities	Original Purpose	Office of Inspector General	Returned to Treasury	Other (please explain in footnote)
Rental of Space <sup>2</sup>	\$11.54	NA	\$2.23	NA	\$9.32	NA	NA	NA
<b>TOTAL</b>	<b>\$11.54</b>	<b>NA</b>	<b>\$2.23</b>	<b>NA</b>	<b>\$9.32</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

<sup>1</sup> Fees based on costs incurred in 2017 determined from the total of submitted invoices from the Payment Recapture Audit in FY 2017.

<sup>2</sup> The Amount Recaptured does not equal the sum of the individual payment Recapture Auditors Fees and Original Purpose amounts due to rounding.

GSA reports in **Table 7** the aging of its outstanding overpayments identified in the payment recapture audits performed in FY 2017.

**Table 7 Aging of Outstanding Overpayments Identified in the Payment Recapture Audit Programs<sup>1</sup> (\$ in millions)**

Program or Activity	Amount Outstanding (0 – 6 months)	Amount Outstanding (6 months to 1 year)	Amount Outstanding (over 1 year)	Amount determined to not be collectable <sup>2</sup>
Rental of Space <sup>3</sup>	\$5.81	\$0.45	\$2.78	\$0.44
<b>TOTAL</b>	<b>\$5.81</b>	<b>\$0.45</b>	<b>\$2.78</b>	<b>\$0.44</b>

<sup>1</sup> The aging of an overpayment begins at the time the overpayment is detected, which is the date that the Payment Recapture Audit GSA Contracting Officer Representative (COR) executes final approval on the claim form. Thus, GSA is reporting aging of outstanding overpayments based on the final approval date on claim forms, rather than the date that the accounts receivable record related to a claim is established in the accounting system.

If GSA reported aging of outstanding overpayments based on the date a receivable claim is established in the accounting system, the aging amounts would be as follows:

Amount Outstanding (0-6 months):	\$4.72
Amount Outstanding (6 months to 1 year):	\$.27
Amount Outstanding (over 1 year):	\$2.78
Amount Determined not to be Collectable:	\$.44

<sup>2</sup> Uncollectable accounts are written off based on the Accounts Receivable Policy Handbook, CFO P 4253.1, Chapter 4, Servicing Non-Federal Accounts Receivable. GSA writes off claims with a remaining principal balance under \$100 at 120 days old; claims above \$100 are written off after they have been referred to Treasury for collection for 60 days.

<sup>3</sup> The percent these amounts represent of the total overpayments (\$9.48M) identified through payment recapture audits that have not been recaptured is as follows:

Amount Outstanding (0-6 months):	61.32% (\$5.81M/\$9.48M)
Amount Outstanding (6 months to 1 year):	4.78% (\$.45M/\$9.48M)
Amount Outstanding (over 1 year):	29.30% (\$2.78M/\$9.48M)
Amount Determined not to be Collectable:	4.59% (\$.44M/\$9.48M)

Note: The amount outstanding percentages are based on full numbers and not the rounded outstanding dollar amounts listed hereon.

## Confirmed Fraud

GSA reports in **Table 8** the amount of fraud confirmed within fiscal year 2017.

**Table 8 Confirmed Fraud<sup>1</sup>(\$ in millions)**

Program or Activity	Confirmed Fraud
Criminal Results	\$26.31
Civil Results	\$74.43
Non-Judicial Recoveries	\$20.74
<b>TOTAL<sup>2</sup></b>	<b>\$121.47</b>

<sup>1</sup> Numbers derived from the statistical summary of OIG investigations section from the combined 2017 OIG semi-annual reports.

<sup>2</sup> The Total does not equal the sum of the individual components due to rounding.

## Programs Susceptible to Significant Improper Payments During FY 2017 Risk Assessment

**Table 9** is required for programs that conducted a risk assessment during the fiscal year and were found to be susceptible to significant improper payments.

**Table 9 Programs Susceptible to Significant Improper Payments During FY 2017 Risk Assessment**

Program or Activity
In FY 2017, GSA performed a risk assessment on employee payments including travel. This risk assessment identified no additional programs or activities susceptible to significant improper payments.