



March 5, 2012

L -12-03(c)

The Honorable Darrell Issa
Chairman
House Committee on Oversight and Governmental Reform
2157 Rayburn House Office Building,
Washington, DC 20515

Re: Office of Inspector General Review of NEA Compliance
Under the Improper Payments Elimination and Recovery Act (IPERA)

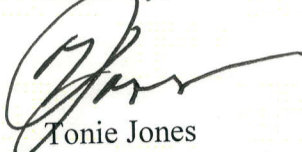
Dear Chairman Issa,

The *Improper Payments Information Act (IPIA) of 2002¹* and the Office of Management and Budget (OMB) Circular A-123, Appendix C, *Management's Responsibility for Internal Control: Requirements for Effective Measurement and Remediation of Improper Payments*, require agencies to review all programs and activities, identify those that are susceptible to significant erroneous payments, and determine an annual estimated amount of erroneous payments made in those payments. The IPIA was followed by the *Improper Payments Elimination and Recovery Act (IPERA)* in 2010 and a series of OMB memoranda, including an update to Circular A-123, which established new requirements for agencies on improper payments.

The NEA reported in its November 2011 Performance and Accountability Report, that "over the past three years, the percentage of improper payments made has been below the threshold (less than 0.2%), and all payments found have been recovered." The occurrence of NEA's improper payments is well below the significant standard of improper payments, which is defined by OMB guidance as exceeding \$10 million and 2.5 percent of total outlays or, alternatively, \$100 million, therefore, the NEA Office of Inspector General (OIG) did not have anything to review for compliance under IPERA.

Thank you.

Sincerely,



Tonie Jones
Inspector General

¹ P.L. 111-204.

cc: The Hon. Joseph I. Lieberman
The Hon. Susan M. Collins
The Hon. Elijah Cummings
Mr. Gene L. Dodaro, Comptroller General
Mr. Danny Werfel, Controller
NEA Chairman Rocco Landesman