



National Science Foundation • Office of Inspector General  
2415 Eisenhower Avenue, Alexandria, Virginia 22314

April 5, 2023

Dr. Sethuraman Panchanathan  
Director  
National Science Foundation

Dear Dr. Panchanathan:

The *Improper Payments Elimination and Recovery Act of 2010* (IPERA, Pub. L. No. 111-204) amended the *Improper Payments Information Act of 2002* and required agencies to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by the Office of Management and Budget (OMB). On March 2, 2020, the *Payment Integrity Information Act of 2019* (PIIA, Pub. L. No. 116-117) repealed IPERA but maintained similar improper payment reporting requirements, including the requirement that Offices of Inspectors General annually determine agency compliance with PIIA.

According to OMB guidance,<sup>1</sup> an agency is required to meet ten specific requirements to comply with PIIA, as applicable. We determined all National Science Foundation programs are complaint with the PIIA requirements for FY 2022, or that the requirements are not applicable, as shown in Table 1:

**Table 1. NSF Compliance with FY 2022 PIIA Requirements**

No.	Criteria	Grants and Cooperative Agreements	Contracts and Individual Payments	Payments to Individuals
1	Published payment integrity information with the annual financial statement	Yes	Yes	Yes
2	Posted the annual financial statement and accompanying materials on the agency website	Yes	Yes	Yes

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<sup>1</sup> OMB M-21-19, Transmittal of Appendix C to OMB Circular A-123, [Requirements for Payment Integrity Improvement](#)

3	Conducted improper payments (IP) risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	Yes	Yes	Yes
4	Adequately concluded whether the program is likely to make IPs and unknown payments (UPs) above or below the statutory threshold	N/A*	N/A*	N/A*
5	Published IP and UP estimates for programs susceptible to significant IPs in the accompanying materials to the annual financial statement	N/A*	N/A*	N/A*
6	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	N/A*	N/A*	N/A*
7	Published IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	N/A*	N/A*	N/A*
8	Has demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	N/A*	N/A*	N/A*
9	Has developed a plan to meet the IP and UP reduction target	N/A*	N/A*	N/A*
10	Reported an IP and UP estimate of less than 10% for each program for which an estimate was published in the accompanying materials to the annual financial statement	N/A*	N/A*	N/A*

\*NSF's FY 2021 PIIA risk assessment found that the agency was not susceptible to significant improper payments. As a result, this requirement was not applicable for FY 2022. We confirmed that NSF published an annual financial report for the most recent fiscal year and posted the report and any required accompanying materials on the agency website at <https://www.nsf.gov/pubs/2023/nsf23002/pdf/nsf23002.pdf>.

PIIA requires agencies to perform a risk assessment at least once every 3 years for programs deemed to be at low risk for significant improper payments. Since NSF's FY 2021 improper payment risk assessment found that the agency was not susceptible to significant improper payments, NSF was not required to perform a risk assessment, conclude whether

its program is likely to make improper payments, publish improper payment estimates, or publish corrective action plans in FY 2022<sup>2</sup>. NSF's next risk assessment will be completed in FY 2024.

We also evaluated NSF's efforts to prevent and reduce IPs and UPs and determined that NSF continues to strengthen its risk assessment methodology and continues to make progress towards preventing and reducing improper payments.

If you have any questions concerning this matter, please contact me at 703.292.7100; alternatively, please contact Lisa Vonder Haar, Chief of Staff at 703-292-2989, or [oigpublicaffairs@nsf.gov](mailto:oigpublicaffairs@nsf.gov).

Sincerely,



Allison C. Lerner  
Inspector General

cc:

Ann Bushmiller, Janis Coughlin-Piester, Dan Reed, Steve Willard, Christina Sarris, John Veysey, Karen Marrongelle, Teresa Grancorvitz, John Lynskey, Mike Wetklow, Jesse Simons

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<sup>2</sup> We concurred with NSF's conclusion in our [Performance Audit of NSF's Compliance with PIIA for FY 2021, Report Number OIG 22-2-004](#), dated May 17, 2022.