



NATIONAL SCIENCE FOUNDATION Office of Inspector General

March 12, 2024

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 L. No. 116-117) repealed IPERA but maintained similar improper payment reporting requirements, including the requirement that Offices of Inspectors General annually determine agency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,¹ an agency is required to meet ten specific requirements to comply with PIIA, as applicable. We determined National Science Foundation (NSF) programs were compliant with applicable PIIA requirements for FY 2023, as shown in Table 1:

Table 1. NSF Compliance with FY 2023 PIIA Requirements

No.	Criteria	Grants and Cooperative Agreements	Contracts and Individual Payments	Payments to Employees
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
3	Conducted improper payments risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	Yes	Yes	Yes

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

4	Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold	Yes	Yes	Yes
5	Published improper payment and unknown payment estimates for programs susceptible to significant improper payments and unknown payments 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 improper payment and unknown payment 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 improper payment and unknown payment rate	N/A*	N/A*	N/A*
9	Has developed a plan to meet the improper payment and unknown payment reduction target	N/A*	N/A*	N/A*
10	Reported an improper payment and unknown payment 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 2023. We confirmed that NSF published an annual financial report for FY 2023 and posted the report and required accompanying materials on the agency website at <https://www.nsf.gov/pubs/2024/nsf24002/pdf/nsf24002.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,² 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 2023. NSF's next risk assessment will be completed in FY 2024.

We also evaluated NSF's efforts to prevent and reduce improper payments and unknown payments. We determined that NSF strengthened its risk assessment methodology and made 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.

Sincerely,



Allison C. Lerner
Inspector General

cc:

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

² See [Performance Audit of NSF's Compliance with \[PIIA\] for FY 2021, Report Number OIG 22-2-004](#), dated May 17, 2022.