



FEDERAL MARITIME COMMISSION

800 North Capitol Street, N.W.
Washington, DC 20573

Inspector General

MEMORANDUM

DATE: February 28, 2013

TO: Chairman Richard A. Lidinsky, Jr.
Commissioner Mario Cordero
Commissioner William P. Doyle
Commissioner Rebecca F. Dye
Commissioner Michael A. Khouri

FROM: /Dana Rooney-Fisher/
Interim Inspector General

SUBJECT: The Federal Maritime Commission's Compliance with the Improper Payments Elimination and Recovery Act of 2010

Dear Chairman Lidinsky and Commissioners:

In accordance with Sec.3(b) of Public Law 111-204, *Improper Payments Elimination and Recovery Act of 2010* (hereafter referred to as IPERA), this letter communicates the results of my determination of the Federal Maritime Commission (FMC) compliance with applicable provisions of the IPERA. This letter covers the FMC's Fiscal Year (FY) 2012 activities.

In short, I have determined that the FMC is compliant with the IPERA and applicable guidance, as further described below and that during my review nothing came to my attention that indicates the agency is susceptible to significant improper payments.

Section 3(a)(3) of the IPERA defines "compliance" as follows:

The agency —

- (A) has published an annual financial statement for the most recent fiscal year and posted that report and any accompanying materials required under guidance of the Office of Management and Budget (OMB) on the agency website;
- (B) if required, has conducted a program specific risk assessment for each program or activity that conforms with section 2(a) the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note); and

- (C) if required, publishes improper payments estimates for all programs and activities identified under section 2(b) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) in the accompanying materials to the annual financial statement;
- (D) publishes programmatic corrective action plans prepared under section 2(c) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) that the agency may have in the accompanying materials to the annual financial statement.

OMB issued guidanceⁱ for Inspectors General to aid in their review of agencies' compliance with IPERA. Specifically, the guidance defines compliance to mean that the agency has:

- Published a Performance Accountability Report (PAR) or AFR for the most recent FY and posted that report and any accompanying materials required by OMB on the agency website;
- Conducted a program specific risk assessment for each program or activity that conforms with Section 3321 of Title 31 U.S.C (if required);
- Published improper payment estimates for all programs and activities identifies as susceptible to significant improper payments under its risk assessment (if required);
- Published programmatic corrective action plans in the PAR or AFR (if required);
- Published, and has met, annual reduction targets for each program assessed to be at risk and measured for improper payments;
- Reported a gross improper payment rate of less than 10 percent for each program and activity for which an improper payment estimate was obtained and published in the PAR or AFR; and
- Reported information on its efforts to recapture improper payments.”

Based on OMB's definition of compliance, as described above, I have determined that the FMC is compliant. The agency has published an annual financial statement for the most recent FY and posted that report and any accompanying materials as required by OMB on the agency website (<http://www.fmc.gov>). FMC concluded and reported in its PAR that it has not identified any program that constitutes a high risk for improper payments and considers all of its payments to be low risk. The agency is not required to publish improper payment estimates, corrective action plans, or reduction targets. Further, during my review of relevant prior year data (expenditures and accounts receivable due from the public), nothing came to my attention that indicates the agency is susceptible to significant improper payments.

If you have questions or comments, please contact me on (202)523-5258.

ⁱ See OMB Memorandum M-11-16, dated April 14, 2011, Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123.