



National Credit Union Administration

February 25, 2013

Office of Inspector General

The Honorable Thomas R. Carper
Chairman
United States Senate
Committee on Homeland Security & Governmental Affairs
340 Dirksen Senate Office Building
Washington, DC 20510

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

Dear Chairman Carper:

The *Improper Payments Information Act (IPIA) of 2002* 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 Federal 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 National Credit Union Administration (NCUA) Office of Inspector General (OIG) reviewed NCUA management's 2012 analysis of its programs and its determination that none are susceptible to a high risk of significant improper payments. The OIG agrees that because NCUA's improper payments are well below the significant standard amount of improper payments, which is defined by OMB guidance as exceeding \$10 million and 2.5 percent of total outlays or \$100 million, the OIG does not have anything to review for compliance under IPERA.

Should you have any questions, please do not hesitate to contact my counsel, Sharon Separ, at 703/518-6352.

Sincerely,

A handwritten signature in black ink that reads "William A. DeSarno".

William A. DeSarno
Inspector General

Attachment

Cc: The Hon. Tom Coburn
The Hon. Darrell Issa
The Hon. Elijah Cummings
Mr. Gene L. Dodaro, Comptroller General
Mr. Danny Werfel, Controller
NCUA Chairman Debbie Matz