



## National Credit Union Administration

### Office of Inspector General

March 19, 2014

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 2013 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.

The Honorable Thomas R. Carper  
March 19, 2014  
Page 2

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, appearing to read 'J. Hagen', written in a cursive style.

James Hagen  
Inspector General

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