



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Office of Inspector General**  
Washington, D.C. 20230

January 16, 2013

**MEMORANDUM FOR:** Scott B. Quehl  
Chief Financial Officer and Assistant Secretary for Administration

**FROM:** Andrew Katsaros  
Assistant Inspector General for Audit

**SUBJECT:** Review of the Department's FY 2012 Compliance with Improper Payment Requirements

We are initiating a review of the Department's compliance with requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA), as reported in appendix F of the *U.S. Department of Commerce FY 2012 Performance and Accountability Report*. IPERA, which amended the Improper Payments Information Act of 2002, requires that the Department disclose certain information on improper payments within its *Performance and Accountability Report*. On April 14, 2011, the Office of Management and Budget issued Memorandum M-11-16, requiring federal inspectors general to review improper payment reporting annually.

We will evaluate the accuracy and completeness of the Department's reporting and its performance in reducing and recapturing improper payments. To comply with legislative requirements, this review must be completed by March 15, 2013.

We will contact the audit liaison to arrange an entrance conference. If you have any questions regarding this review, please contact me at (202) 482-7859 or Patricia McBarnette, Audit Director, at (202) 482-3391. We thank you in advance for your cooperation during this review.