

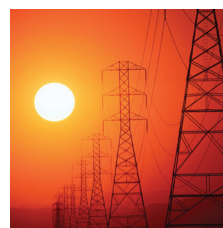
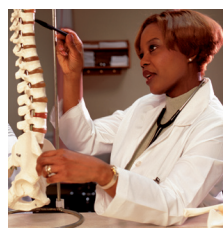
Report to Congressional Addressees

2020 ANNUAL REPORT

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits



The federal government achieved more than \$400 billion in benefits by addressing actions highlighted in these reports over the last 10 years.



GAO Highlights

Highlights of [GAO-20-440SP](#), a report to congressional addressees

Why GAO Did This Study

The federal government has made an unprecedented financial response to the COVID-19 pandemic. At the same time, opportunities exist for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs in other areas.

Congress included a provision in statute for GAO to identify and report on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities. GAO also identifies areas that are fragmented or overlapping and additional opportunities to achieve cost savings or enhance revenue collection.

This report discusses the new areas identified in GAO's 2020 annual report—the 10th report in this series; the progress made in addressing actions GAO identified in its 2011 to 2019 reports; and examples of open actions directed to Congress or executive branch agencies.

To identify what actions exist to address these issues, GAO reviewed and updated prior work, including matters for congressional consideration and recommendations for executive action.

View [GAO-20-440SP](#). For more information, contact Jessica Lucas-Judy at (202) 512-9110 or lucasjudyj@gao.gov or J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

May 2020

2020 ANNUAL REPORT:

Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits

What GAO Found

GAO's 2020 annual report identifies 168 new actions for Congress or executive branch agencies to improve the efficiency and effectiveness of government in 29 new mission areas and 10 existing areas. For example:

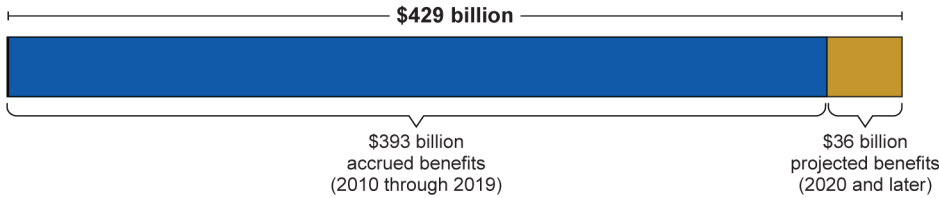
- The Department of Defense could potentially save **hundreds of millions of dollars annually** by accurately measuring and reducing excess funded, unfinished work at military depots.
- The Centers for Medicare & Medicaid Services could better ensure that states implement Medicaid provider screening and enrollment requirements, which could potentially save **tens of millions of dollars annually**.
- The Government National Mortgage Association could enhance the efficiency and effectiveness of its operations and risk management and reduce costs or enhance federal revenue by **tens of millions of dollars annually**.
- The Internal Revenue Service should establish a formal collaborative mechanism with the Department of Labor to better manage fragmented efforts and enhance compliance for certain individual retirement accounts that engaged in prohibited transactions, and thereby potentially increase revenues by **millions of dollars**.
- Improved coordination and communication between the Department of Health and Human Services' Office of the Assistant Secretary for Preparedness and Response and its emergency support agencies—including the Federal Emergency Management Agency and Departments of Defense and Veterans Affairs—could help address fragmentation and ensure the effective provision of public health and medical services during a public health emergency.
- The Department of Education should analyze data and use it to verify borrowers' income and family size information on Income-Driven Repayment plans to safeguard the hundreds of billions of dollars in federal investment in student loans and potentially save **more than \$2 billion**.
- The Internal Revenue Service could increase coordination among its offices to better manage fragmented efforts to ensure the security of taxpayer information held by third-party providers.

GAO identified 88 new actions related to 10 existing areas presented in 2011 through 2019 annual reports. For example:

- The Department of the Navy could achieve **billions of dollars** in cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained.
- The Office of Management and Budget could improve oversight of disaster relief funds and address government-wide improper payments, which could result in significant cost savings.
- The U.S. Army Corps of Engineers and the U.S. Coast Guard could better identify and communicate lessons learned in contracting following a disaster to improve fragmented interagency coordination.

Significant progress has been made in addressing many of the 908 actions that GAO identified from 2011 to 2019 to reduce costs, increase revenues, and improve agencies' operating effectiveness. As of March 2020, Congress and executive branch agencies have fully or partially addressed 79 percent of all actions (721 of 908 actions)—57 percent (519 actions) fully addressed and 22 percent (202 actions) partially addressed. This has resulted in approximately \$429 billion in financial benefits. About \$393 billion of these benefits accrued between 2010 and 2019, and \$36 billion are projected to accrue in future years. This is an increase of \$166 billion from GAO's 2019 annual report. These are rough estimates based on a variety of sources that considered different time periods and utilized different data sources, assumptions, and methodologies.

Total Reported Financial Benefits of \$429 Billion, as of March 2020



Source: GAO. | GAO-20-440SP

Note: The aggregated potential financial benefits reported here should not be considered an exact total.

While Congress and executive branch agencies have made progress toward addressing actions that GAO has identified since 2011, further steps are needed. GAO estimates that **tens of billions** of additional dollars could be saved should Congress and executive branch agencies fully address the remaining 467 open actions, including the new ones identified in 2020. Addressing the remaining actions could lead to other benefits as well, such as increased public safety, and more effective delivery of services. For example:

Examples of Areas with Open Actions with Potential Financial and Non-Financial Benefits

Area name and description <i>(year-number links to Action Tracker)</i>	Mission	Potential benefits <i>(Source when financial)</i>
DOE's Treatment of Hanford's Low Activity Waste (2018-17): The Department of Energy may be able to reduce certain risks and adopt alternative approaches to treating a portion of its low-activity radioactive waste.	Energy	Tens of billions (GAO)
Advanced Technology Vehicles Manufacturing Loan Program (2014-13): Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining credit subsidy appropriations.	Energy	\$4.3 billion (DOE)
Federal Shared Services (2019-05): The Office of Management and Budget and the General Services Administration could better position themselves to achieve their cost savings goals and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared service reform efforts.	General government	\$2 billion over 10 years (OMB)
Medicare Payments by Place of Service (2016-30): Medicare could have cost savings if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed.	Health	Billions annually (MedPAC and Bipartisan Policy Center)
Identity Theft Refund Fraud (2016-22): The Internal Revenue Service could improve the agency's efforts to prevent refund fraud associated with identity theft.	General government	Billions (GAO)
DOD Oversight of Foreign Reimbursements (2020-27): By implementing a process to monitor orders and resolve outstanding reimbursements, the Department of Defense could recover overdue repayments for sales made to foreign partners.	International affairs	Millions (GAO)
VA Long-Term Care Fragmentation (2020-11): The Department of Veterans Affairs should implement a consistent approach to better manage long-term care programs at the Veterans Affairs Medical Center level and improve access to the right care for veterans.	Health	Better long-term care for veterans
Federal Research (2019-15): Implementing leading practices for collaboration to better manage fragmentation could help agencies improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology.	Science and the environment	Maintain U.S. competitiveness in the global economy

Source: GAO. | GAO-20-440SP

Note: All estimates of potential financial benefits are dependent on various factors, such as whether action is taken and how it is taken. For estimates of potential financial benefits where outside estimates of potential financial benefits were not available, GAO developed the notional estimates, which are intended to provide a sense of the potential magnitude of benefits. Notional estimates have been developed using broad assumptions about potential financial benefits which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential financial benefits.

Contents

Letter		1
	New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government	4
	Congress and Executive Branch Agencies Continue to Address Actions Identified over the Last 10 Years across the Federal Government, Resulting in Significant Benefits	8
	Action on Remaining and New Areas Could Yield Significant Additional Benefits	17
Appendix I	Objectives, Scope, and Methodology	28
Appendix II	New Areas in Which GAO Has Identified Fragmentation, Overlap, or Duplication	34
Appendix III	New Areas in Which GAO Has Identified Other Cost Savings or Revenue Enhancement Opportunities	71
Appendix IV	New Actions Added to Existing Areas	95
Appendix V	Open Congressional Actions, by Mission	101
Appendix VI	Additional Information on Programs Identified	123
Tables		
	Table 1: New Fragmentation, Overlap, and Duplication Areas Identified in This Report	4
	Table 2: New Cost Savings and Revenue Enhancement Opportunities Identified in This Report	6
	Table 3: New Actions Added to Existing Areas in 2020	7
	Table 4: Status of 2011 to 2019 Actions Directed to Congress and the Executive Branch, as of March 2020	9

Table 5: Examples of Fully Addressed or Partially Addressed Actions with Associated Cost Savings and Revenue Enhancements	12
Table 6: Examples of Areas with Open Actions with Potential Financial Benefits of \$1 Billion or More	22
Table 7: Additional Examples of Open Areas Directed to Congress and Executive Branch Agencies	24

Figures

Figure 1: Definitions of Fragmentation, Overlap, and Duplication	2
Figure 2: Status of 2011 to 2019 actions, as of March 2020	9
Figure 3: Total Reported Financial Benefits of \$429 Billion, as of March 2020	10
Figure 4: Benefits Achieved by Addressing Actions Highlighted in Duplication Reports over the last 10 years, by Mission as of March 2020	11
Figure 5: Number of Partially Addressed and Not Addressed Actions since 2011, by Agency	19
Figure 6: Fiscal Year 2019 Outlays and Number of Open Actions since 2011, by Agency	21

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The \$400 billion on the cover includes benefits that have accrued through 2019 and benefits expected to accrue in 2020 or later. This total relies on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies, and represents a rough estimate of financial benefits that has been rounded down to the nearest \$1 billion.



May 19, 2020

Congressional Addressees

Responding to Coronavirus Disease 2019 (COVID-19) and its effects on public health and the economy is among the country's highest immediate priorities. At the same time, opportunities exist for achieving billions of dollars in financial savings and improving the efficiency and effectiveness of a wide range of federal programs in other areas.

To call attention to these opportunities, Congress passed and the President signed into law a provision for us to identify and report to Congress on federal programs, agencies, offices, and initiatives—either within departments or government-wide—that have duplicative goals or activities.¹ As part of this work, we also identify additional opportunities to achieve greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

In our nine previous reports issued from 2011 to 2019, we introduced more than 325 areas and more than 900 actions for Congress or executive branch agencies to reduce, eliminate, or better manage fragmentation, overlap, or duplication; achieve cost savings; or enhance revenues.² Congress and executive branch agencies have partially or fully addressed 721 (79 percent) of the actions we identified from 2011 to 2019, resulting in about \$429 billion in financial benefits. We estimate tens of billions more dollars could be saved by fully implementing our open actions.³

Figure 1 defines the terms we use in this work.

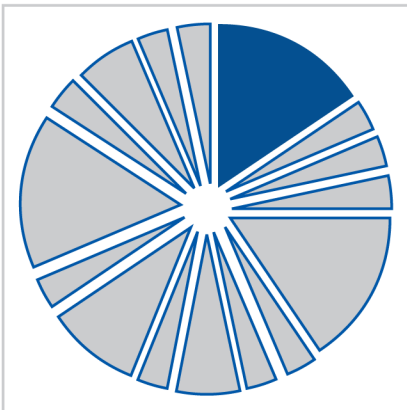
¹Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

²See GAO's Duplication and Cost Savings webpage for links to the 2011 to 2019 annual reports: <http://www.gao.gov/duplication/overview>.

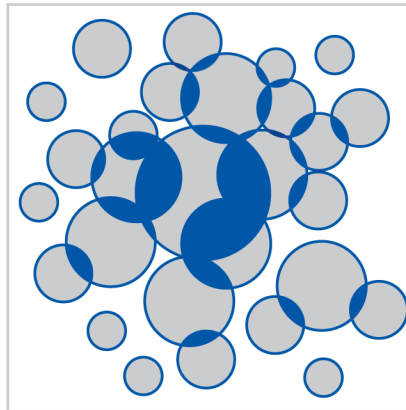
³In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest \$1 billion. Estimated potential benefits are subject to increased uncertainty, depending on whether, how, and when they are addressed, and are presented using a notional statement of magnitude.

Figure 1: Definitions of Fragmentation, Overlap, and Duplication

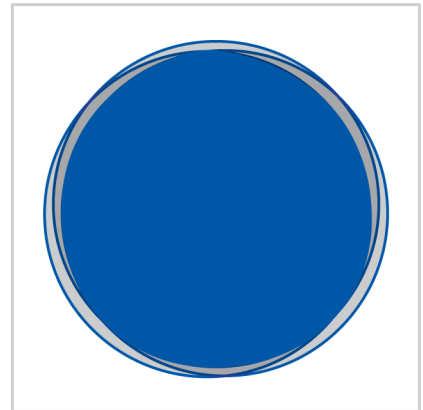
Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need and opportunities exist to improve service delivery.



Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries.



Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.



Source: GAO. | GAO-20-440SP



GAO's Online Action Tracker

GAO's [Action Tracker](#), a publicly accessible website, allows Congress, executive branch agencies, and the public to track the government's progress in addressing the issues we have identified. GAO's [Action Tracker](#) includes a [downloadable spreadsheet](#) containing all actions.

Areas and actions in the spreadsheet can be sorted and filtered by the year identified, mission, area name, implementation status, and implementing entities (Congress or executive branch agencies). The spreadsheet additionally notes which actions are also GAO priority recommendations—those recommendations GAO believes warrant priority attention from the heads of departments or agencies.

With the release of this report, GAO is concurrently releasing the latest updates to these resources.

Source: GAO. | GAO-20-440SP

Our 2020 report identifies 29 new areas where a broad range of federal agencies may be able to achieve greater efficiency or effectiveness.

For each area, we suggest actions that Congress or executive branch agencies could take to reduce, eliminate, or better manage fragmentation, overlap, or duplication, or achieve other financial benefits. In addition to identifying new areas and actions, we continue to monitor the progress Congress and executive branch agencies have made in addressing actions we previously identified (see sidebar).

This report is based upon work we previously conducted in accordance with generally accepted government auditing standards or our quality assurance framework. See appendix I for more information on our scope and methodology.

New Opportunities Exist to Improve Efficiency and Effectiveness across the Federal Government

This report presents 168 new actions for Congress or executive branch agencies across the 29 new areas.⁴ Of these 29 new areas, 18 concern fragmentation, overlap, or duplication in government missions and functions (see table 1). Appendix II provides more detailed information about these 18 areas.

Table 1: New Fragmentation, Overlap, and Duplication Areas Identified in This Report

Mission	Area	Page
Defense	1. Army Small Business Engagement: Army Futures Command should take steps to better manage fragmentation by formalizing its coordination with other Army organizations and to track and assess their small business engagement for research and development.	35
	2. DOD Privatization of Utility Services: The Department of Defense should take steps to ensure the entities involved in privatizing utilities at military installations better manage fragmentation by improving collaboration in collecting data and capturing lessons learned.	37
Economic development	3. SBA's Microloan Program: The Small Business Administration's Microloan Program should enhance its collaboration with other federal agencies that engage in microlending activities to better manage fragmentation.	39
General government	4. Bank Secrecy Act Implementation: The Financial Crimes Enforcement Network should ensure consistent participation by the futures sector in key Bank Secrecy Act collaboration mechanisms to help address fragmentation and improve implementation.	41
	5. DATA Act Data Governance: The Office of Management and Budget, in collaboration with the Department of the Treasury, should establish a robust data governance structure to ensure greater consistency and comparability of reported data to better manage fragmentation in federal spending data.	43
	6. Federal Agencies' Evidence-Building Activities: The Corporation for National and Community Service, Department of Health and Human Services, and Department of Labor could each improve their internal collaboration to more effectively build evidence to meet decision makers' needs, and thereby better manage fragmented efforts within their agencies.	45
	7. Individual Retirement Accounts: The Internal Revenue Service should establish a formal collaborative mechanism with the Department of Labor to better manage fragmented efforts and enhance compliance for certain individual retirement accounts that engaged in prohibited transactions, and thereby potentially increase revenues by millions of dollars .	47
	8. IRS Third Party Cybersecurity Practices: Increased coordination among the Internal Revenue Service's offices could better manage fragmented efforts to ensure the security of taxpayer information held by third-party providers.	49

⁴Of the 168 new actions, 88 were added to 10 existing areas (see table 3), which are not a part of the 29 new areas.

Mission	Area	Page
	9. Tax-Exempt Entities Compliance: The Internal Revenue Service should better leverage fragmented data about tax-exempt entities to enhance the detection of noncompliance, improve the effectiveness of enforcement programs, and enhance federal revenues by potentially millions of dollars in tax changes.	51
Health	10. Public Health and Medical Emergency Response: Improved coordination and communication between the Office of the Assistant Secretary for Preparedness and Response and its emergency support agencies could help address fragmentation and ensure the effective provision of public health and medical services during a public health emergency.	53
	11. VA Long-Term Care Fragmentation: The Department of Veterans Affairs should implement a consistent approach to better manage long-term care programs at the Veterans Affairs Medical Center level and improve access to the right care for veterans.	55
Homeland security/law enforcement	12. Coast Guard Specialized Forces: Assessing the extent to which unnecessary and potentially inefficient overlap or duplication exists among Deployable Specialized Forces' capabilities would better position the Coast Guard to identify capability gaps and reallocate resources, as needed, and could potentially save millions of dollars .	57
	13. DHS's Processes for Apprehended Families: The Department of Homeland Security should take steps to address fragmented processes for identifying, collecting, documenting, and sharing information about noncitizen family members apprehended at the southwest border.	59
	14. National Strategy for Transportation Security: The Department of Homeland Security should communicate how the National Strategy for Transportation Security aligns with other governance documents to guide federal transportation security efforts and help avoid potential overlapping strategies.	61
	15. Surface Transportation Security Training: The Transportation Security Administration should improve the planning and implementation of its security training and exercise program to address its fragmented coordination procedures.	63
International affairs	16. U.S. Assistance to Central America: To address fragmentation of U.S. assistance activities in El Salvador, Guatemala, and Honduras, the Department of State should establish a comprehensive approach to monitoring and evaluating projects that support the objectives of prosperity, governance, and security in those countries.	65
Science and the environment	17. Public Access to Federally Funded Research Results: Agencies could increase public access to federally funded research results and manage fragmentation by implementing leading collaboration practices.	67
Training, employment, and education	18. USDA's Nutrition Education Efforts: The U.S. Department of Agriculture should develop a formal mechanism for better coordinating fragmented nutrition education efforts across the department to maximize program reach and impact and avoid potential duplication of effort.	69

Source: GAO. | GAO-20-440SP

We also present 11 new areas where Congress or executive branch agencies could take action to reduce the cost of government operations or enhance revenue collections for the U.S. Department of the Treasury (see table 2). Appendix III provides more detailed information about these 11 areas.

Table 2: New Cost Savings and Revenue Enhancement Opportunities Identified in This Report

Mission	Area	Page
Defense	19. Defense Agencies and DOD Field Activities Reform: By improving its guidance and documentation of efficiency initiatives, the Department of Defense could help ensure the department achieves desired cost savings across its business functions.	73
	20. DOD Maintenance Depot Funding: The Department of Defense could potentially save hundreds of millions of dollars annually by accurately measuring and reducing excess funded, unfinished work at military depots.	75
General government	21. Ginnie Mae’s Mortgage-Backed Securities Program: The Government National Mortgage Association could enhance the efficiency and effectiveness of its operations and risk management and reduce costs or enhance federal revenue by tens of millions of dollars annually .	77
	22. IRS Tax Debt Collection Contracts: The Internal Revenue Service could potentially collect millions of dollars in additional revenue and save federal costs by analyzing tax debt cases to make better decisions on the types of cases it assigns to contracted private collection agencies.	79
	23. Virtual Currency Tax Information Reporting: The Internal Revenue Service should increase third-party information reporting on virtual currency transactions to improve tax compliance and potentially increase revenue.	81
Health	24. Medicaid Provider Enrollment: The Centers for Medicare & Medicaid Services could ensure that states implement Medicaid provider screening and enrollment requirements, which could potentially save tens of millions of dollars annually .	83
	25. VA Allocation of Health Care Funding: The Department of Veterans Affairs should improve its funding allocation process to help ensure the more efficient use of funds at its medical centers.	85
Information technology	26. Open Source Software Program: The Department of Defense needs to fully implement the open source software pilot program to reduce duplication and potentially achieve millions of dollars annually in cost savings to the agency.	87
International affairs	27. DOD Oversight of Foreign Reimbursements: By implementing a process to monitor orders and resolve outstanding reimbursements, the Department of Defense could recover millions of dollars in overdue repayments for sales made to foreign partners.	89
	28. Drawback Program Modernization: U.S. Customs and Border Protection should improve its internal controls over the drawback program—which provides refunds of certain duties, taxes and fees—to potentially prevent millions of dollars in improper drawback refunds.	91
Training, employment, and education	29. Student Loan Income-Driven Repayment Plans: The Department of Education should improve verification of borrowers’ income and family size information on Income-Driven Repayment plans to safeguard the hundreds of billions of dollars in federal investment in student loans and potentially save more than \$2 billion .	93

Source: GAO. | GAO-20-440SP

In addition to these 29 new areas, we identified 88 new actions related to 10 existing areas presented in our 2011 to 2019 annual reports (see table 3). Appendix IV provides more detailed information about these new actions.

Table 3: New Actions Added to Existing Areas in 2020

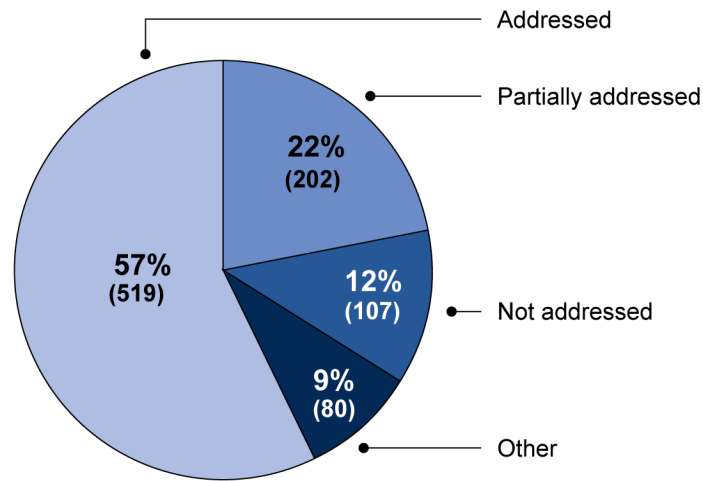
Mission	New action (area name links to <i>Action Tracker</i>)	Year introduced (year links to report)	Page
Defense	1. Navy Shipbuilding: In March 2020, GAO identified 12 actions for the Navy to improve its acquisition practices and ensure ships can be efficiently sustained, potentially saving billions of dollars .	2017	96
Energy	2. Oil and Gas Resources: In September 2019, GAO identified two new actions to improve the Department of the Interior’s valuations of offshore oil and gas resources, each which could increase the amount of revenue collected by tens of millions of dollars annually .	2011	96
General government	3. Disaster Response Contracting: In April 2019, GAO identified two actions the U.S. Army Corps of Engineers and U.S. Coast Guard can take to improve fragmented interagency coordination of lessons learned following disasters.	2019	97
	4. Federal Shared Services: In March 2020, GAO identified a new action to improve the Department of Housing and Urban Development’s working capital fund and better position it to achieve over one million dollars in previously identified potential annual savings.	2019	97
	5. Government-wide Improper Payments: In June 2019, GAO identified a new action that could improve oversight of disaster relief funds and long-standing problems of improper payments, which could result in significant cost savings.	2011	98
Health	6. Identity Theft Refund Fraud: In January 2020, GAO identified three new actions to help the Internal Revenue Service prevent refund fraud associated with identity theft. If implemented, these actions could potentially save millions of dollars .	2016	98
	7. VA Medical Supplies Procurement: In January 2020, GAO identified a new action to help the Department of Veterans Affairs assess duplication in its medical supply program.	2018	99
Homeland security/law enforcement	8. Homeland Security Grants: In November 2019, GAO identified two new actions to help reduce the risk of duplicate funding in emergency relief assistance for transit agencies.	2012	99
Information technology	9. Cloud Computing: In April 2019, GAO identified 28 new actions to help agencies save millions of dollars through better planning and implementation of cloud-based computing solutions.	2013	100
	10. Federal Data Centers: In April 2019, GAO identified 36 new actions to help federal agencies meet the Office of Management and Budget’s data center consolidation and optimization goals, resulting potentially in hundreds of millions of dollars in savings.	2011	100

Source: GAO. | GAO-20-440SP

**Congress and
Executive Branch
Agencies Continue to
Address Actions
Identified over the
Last 10 Years across
the Federal
Government,
Resulting in
Significant Benefits**

Congress and executive branch agencies have made consistent progress in addressing many of the actions we have identified since 2011, as shown in figure 2 and table 4. As of March 2020, Congress and executive branch agencies had fully or partially addressed nearly 80 percent of the actions we identified from 2011 to 2019. See GAO's online [Action Tracker](#) for the status of all actions.

Figure 2: Status of 2011 to 2019 Actions, as of March 2020



Source: GAO. | GAO-20-440SP

Note: Other actions include actions categorized as “consolidated or other” and “closed-not addressed.” Actions categorized as “consolidated or other” and “closed-not addressed” are no longer assessed. In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. Actions are generally “closed-not addressed” when the action is no longer relevant due to changing circumstances.

Table 4: Status of 2011 to 2019 Actions Directed to Congress and the Executive Branch, as of March 2020

Status	Number of congressional actions (percentage) ^a	Number of executive branch actions (percentage) ^b	Total (percentage)
Addressed	35 (33%)	484 (60%)	519 (57%)
Partially addressed	15 (14%)	187 (23%)	202 (22%)
Not addressed	40 (37%)	67 (8%)	107 (12%)
Other ^c	17 (16%)	63 (8%)	80 (9%)
Total	107 (100%)	801 (100%)	908 (100%)

Source: GAO. | GAO-20-440SP

Note: Due to rounding, the total percentages may not add up to exactly 100 percent.

^aIn assessing actions suggested for Congress, GAO applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only

addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. Actions suggested for Congress may also move to “addressed” or “partially addressed,” with or without relevant legislation, if an executive branch agency takes steps that address all or part of the action needed. At the beginning of a new congressional session, GAO reapplies the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

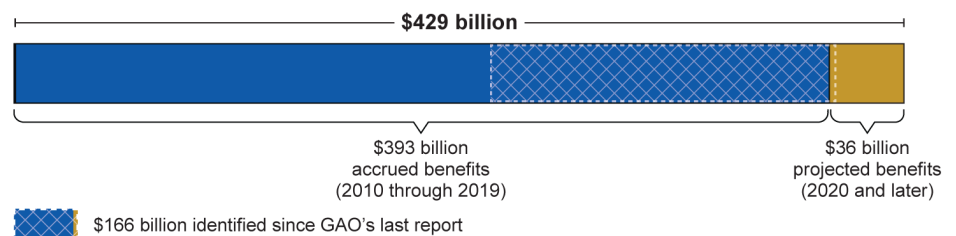
^bIn assessing actions suggested for the executive branch, GAO applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

^cOf the 80 “other” actions, 32 are categorized as “closed-not addressed” and 48 as “consolidated or other.” GAO no longer assesses actions categorized as “closed-not addressed” or “consolidated or other.” GAO generally categorizes actions as “closed-not addressed” when the action is no longer relevant due to changing circumstances. However, in most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. In 2020, one congressional action and four executive branch actions were consolidated and replaced by new actions, causing the cumulative action count for 2011 to 2019 to increase from 903 to 908.

Actions Taken by Congress and Executive Branch Agencies Led to Billions in Financial Benefits

As a result of steps Congress and executive branch agencies have taken to address our open actions, we have identified approximately \$429 billion in total financial benefits, including \$166 billion identified since our last report. About \$393 billion of the total benefits accrued between 2010 and 2019, while approximately \$36 billion are projected to accrue in 2020 or later, as shown in figure 3.⁵

Figure 3: Total Reported Financial Benefits of \$429 Billion, as of March 2020



Source: GAO. | GAO-20-440SP

Note: In calculating these totals, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits and have been rounded down to the nearest \$1 billion.

⁵In calculating our total estimated realized and potential financial benefits, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These totals represent a rough estimate of financial benefits. Realized benefits have been rounded down to the nearest \$1 billion.

Since our first annual report in 2011, these benefits have contributed to missions across the federal government, as shown in figure 4.

Figure 4: Combined Benefits Achieved by Addressing Actions Highlighted in Duplication Reports over the Last 10 years, by Mission as of March 2020



Source: GAO, Department of Defense Helene C. Stikkel, Dynamic Graphics, USDA, ©Corbis, and PhotoDisc. | GAO-20-440SP

Note: Due to rounding, the total combined benefits do not add up to exactly \$429 billion. Other Mission Areas include Information Technology, Income Security, International Affairs, Science and the Environment, and Social Services. Additionally, combined benefits include benefits that have accrued through 2019 and benefits expected to accrue in 2020 or later. These totals rely on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies, and represent a rough estimate of financial benefits that have been rounded down to the nearest \$1 billion.

Table 5 highlights examples of results achieved in addressing actions we identified over the past 10 years.

Table 5: Examples of Fully Addressed or Partially Addressed Actions with Associated Cost Savings and Revenue Enhancements

Area name (annual report year/area number links to <i>Action Tracker</i>) ^a	Actions taken	Financial benefit
Weapon Systems Acquisition Programs (2011-38)	Congress passed the Weapon Systems Acquisition Reform Act of 2009, which implemented a number of GAO's recommendations for how the Department of Defense (DOD) develops and acquires weapon systems. GAO highlighted the need for additional action in this area in its 2011 report. Since then, DOD has followed more best practices for these acquisitions, which greatly reduced cost growth for weapons systems over time. ^a	Savings of approximately \$180.0 billion from 2011 through 2017, according to GAO analysis.
Medicaid Demonstration Waivers (2014-21)	The Department of Health and Human Services changed processes to curtail some problematic methods used to determine spending limits for Medicaid Demonstrations, restricted the amount of unspent funds states can accrue and carry forward to expand demonstrations, and could further reduce federal spending by addressing other problematic methods.	Savings of approximately \$64.3 billion from 2016 through 2018, and tens of billions of additional savings could potentially accrue from 2019-2022, according to agency and GAO estimates.
Farm Program Payments (2011-35)	Congress passed the Agricultural Act of 2014, which eliminated direct payments to farmers, thereby eliminating a duplicative payments structure that had not been intended to be permanent. ^b	Savings of approximately \$44.5 billion from fiscal year 2015 through fiscal year 2023, of which about \$24.7 billion has accrued and \$19.8 billion is expected to accrue in fiscal year 2020 or later, according to the Congressional Budget Office (CBO).
Domestic Ethanol Production (2011-13)	Congress allowed the Volumetric Ethanol Excise Tax Credit to expire at the end of 2011, which eliminated duplicative federal efforts directed at increasing domestic ethanol production. ^c	Reduced revenue losses by about \$29.1 billion from fiscal year 2012 to fiscal year 2016, according to GAO analysis.
Higher Education Assistance (2013-16)	The Department of Education changed its estimation approach for calculating the cost of Income-Driven Repayment plans, allowing the agency to transfer unused funds to the Department of the Treasury.	Financial benefits of approximately \$24.2 billion during 2018, according to agency estimates.
Passenger Aviation Security Fees (2012-48)	Congress passed the Bipartisan Budget Act of 2013, which modified the passenger security fee from its prior per enplanement structure (\$2.50 per enplanement with a maximum one-way-trip fee of \$5.00) to a structure that increases the passenger security fee to a flat \$5.60 per one-way-trip. ^d	Increased revenue of about \$12.9 billion in fee collections over a 10-year period beginning in fiscal year 2014 and continuing through fiscal year 2023, of which \$7.7 billion has accrued and \$5.1 billion is expected to accrue in fiscal year 2020 or later, according to CBO and other estimates.

Area name (annual report year/area number links to Action Tracker) ^a	Actions taken	Financial benefit
Agencies' Use of Strategic Sourcing (2013-23)	The Department of Veterans Affairs evaluated strategic sourcing opportunities, set goals, tracked metrics, and ultimately procured a larger share of goods and services—including information technology (IT)—using contracts aligned with strategic sourcing principles.	Cost avoidance of about \$10.8 billion from fiscal years 2013 through 2017, and billions could potentially accrue from 2017 to 2019, according to GAO estimates.
Tax Policies and Enforcement (2015-17)	Congress amended the audit procedures applicable to certain large partnerships to require that they pay audit adjustments at the partnership level. ^e	Increased revenue of about \$9.3 billion from fiscal years 2019 to 2025, of which about \$1.3 billion has accrued and \$8.0 billion is expected to accrue in fiscal year 2020 or later, according to the Joint Committee on Taxation. Hundreds of millions in additional savings could potentially accrue, according to GAO estimates.
Real Estate-Owned Properties (2014-18)	The Department of Housing and Urban Development made improvements to increase the recoveries from disposing of properties it receives when loans default, such as by selling these loans and increasing property inspections and oversight of contractors disposing of these properties.	Savings of about \$5.5 billion from 2013 through 2018, according to agency estimates.
Combat Uniforms (2013-02)	The Army chose not to introduce a new family of camouflage uniforms into its inventory.	Savings of about \$4.2 billion from fiscal years 2014 through 2018.
Federal Data Centers (2011-15)	The 24 federal agencies participating in the Office of Management and Budget's (OMB) data center consolidation and optimization efforts have taken steps to consolidate 6,250 data centers as of April 2019.	Cost savings and avoidances of about \$4.2 billion from fiscal years 2011 through 2019, based on GAO analysis of agency reported data. Hundreds of millions in additional savings could potentially accrue from fiscal years 2019 through 2020, according to agency estimates.
Information Technology Investment Portfolio Management (2014-24)	Nine agencies migrated commodity IT areas to shared services in response to OMB's 2012 guidance to review their portfolios and identify duplicative, low-value, and wasteful investments, contributing to savings.	Savings of an estimated \$3.3 billion from fiscal years 2012 through 2019, and billions in additional savings based on estimates of potential savings that could have occurred from fiscal years 2013 through 2015, according to agency estimates.
Overseas Defense Posture (2012-37)	United States Forces Korea conducted a series of consultations with the military services to evaluate the costs and benefits associated with tour normalization, and DOD decided not to move forward with the full tour normalization initiative because it was not affordable.	Savings of an estimated \$3.1 billion from fiscal years 2012 through 2016, according to agency estimates.
Navy's Information Technology Enterprise Network (2012-38)	The Navy has completed key acquisition decisions, improved the Next Generation Enterprise Network schedule to better reflect key schedule estimating practices, and improved its risk management so that future acquisition decisions better reflect the state of the program's exposure to risks.	Savings of about \$2.6 billion from fiscal years 2013 through 2017.

Area name (annual report year/area number links to Action Tracker) ^a	Actions taken	Financial benefit
Homeland Security Grants (2012-17)	Congress limited preparedness grant funding until the Federal Emergency Management Agency completes a national preparedness assessment of capability gaps. ^f	Savings of about \$2.6 billion from fiscal years 2011 through 2013, according to GAO estimates.
Medicare Advantage Payments (2012-45)	Congress increased the minimum adjustment made for differences in diagnostic coding patterns between Medicare Advantage plans and traditional Medicare providers. ^g	Savings of approximately \$2.5 billion from fiscal years 2013 through 2022; this includes \$750 million expected to accrue in fiscal year 2020 or later according to CBO. Billions in additional savings could potentially accrue, according to GAO and other agency estimates.
Federal Payments for Hospital Uncompensated Care (2017-25)	Centers for Medicare & Medicaid Services announced in a final rule that the agency would begin basing Medicare Uncompensated Care payments on hospital uncompensated care costs. ^h	Savings of about \$2.3 billion in fiscal years 2018 and 2019, with potential for billions of dollars in fiscal year 2020, according to GAO estimates.
Overseas Military Presence (2011-36)	DOD has taken steps to assess costs and benefits of overseas military presence options.	Savings of about \$2.3 billion from 2013 through 2017, according to GAO estimates. Millions in additional savings could potentially accrue, according to agency estimates.
DOD's Business Systems (2011-08)	DOD canceled the Air Force's Expeditionary Combat Support System because of significant cost and schedule overages.	Savings of about \$1.6 billion from 2013 through 2025, according to GAO analysis of agency estimates. This includes about \$738 million expected to accrue in fiscal year 2020 or later. Hundreds of millions in additional savings could potentially accrue from 2020 to 2021, according to GAO and other agency estimates.
Strategic Petroleum Reserve (2015-15)	The Department of Energy (DOE) completed a long-term strategic review of the Strategic Petroleum Reserve in August 2016, as Congress required in 2015.	DOE reported savings of \$1.2 billion from selling crude oil from the reserve in fiscal years 2017 and 2018, with a potential for billions in total sales through 2025, according to CBO.

Source: GAO. | GAO-20-440SP

Note: The estimates in this report are from a range of sources, including GAO, executive branch agencies, CBO, and the Joint Committee on Taxation. Some estimates have been updated since GAO's 2019 report to reflect more recent analysis.

^aPub. L. No. 111-23, 123 Stat. 1704 (2009).

^bPub. L. No. 113-79, § 1101, 128 Stat. 649, 658 (2014).

^c26 U.S.C. § 6426(b)(6).

^dPub. L. No. 113-67, § 601(b), 127 Stat. 1165, 1187 (2013).

^eBipartisan Budget Act of 2015, Pub. L. No. 114-74, § 1101, 129 Stat. 584, 625–638 (2015).

^fPub. L. No. 112-10, § 1632, 125 Stat. 38, 143 (2011); Pub. L. No. 112-74, 125 Stat. 786, 960–962 (2011); Pub. L. No. 113-6, 127 Stat. 198, 358–360 (2013); Pub. L. No. 113-76, 118 Stat. 5, 261–262 (2014).

^gAmerican Taxpayer Relief Act of 2012, Pub. L. No. 112-240, § 639, 126 Stat. 2313, 2357 (2013).

^h82 Fed. Reg. 37990, 38000 (Aug. 14, 2017).

Other Benefits Resulting from Actions Taken by Congress and Executive Branch Agencies

Our suggested actions, when implemented, often result in benefits such as strengthened program oversight; improvements in major government programs or agencies; more effective and equitable government; and increased international security. The following recent examples illustrate these types of benefits.

- **Housing Assistance (2012-28):** The federal government and state and local entities provide both rental assistance and affordable housing through a wide variety of programs. In February 2012, we found instances of fragmentation and overlap among federal rental assistance program.

We recommended that the Secretary of the Department of Housing and Urban Development (HUD) work with states and localities to develop an approach for compiling and reporting on the collective performance of federal, state, and local rental assistance programs.

In 2019, Executive Order 13878 established the White House Council on Eliminating Regulatory Barriers to Affordable Housing.⁶ The establishment of the council and the actions taken by HUD are positive steps for reaching out to states and localities and allowing Congress, decision makers, and stakeholders to evaluate collective performance data and provide mechanisms for setting priorities, allocating resources, and restructuring efforts, as needed, to achieve long-term housing goals.

- **Military and Veterans Health Care (2012-15):** The Departments of Defense (DOD) and Veterans Affairs (VA) play key roles in offering support to servicemembers and veterans through various programs and activities. In 2012, we found that the departments needed to improve integration across care coordination and case management programs to reduce duplication and better assist servicemembers, veterans, and their families.

We recommended that the Secretaries of Defense and Veterans Affairs develop and implement a plan to strengthen functional integration across all DOD and VA care coordination and case management.

The departments took several steps between 2012 and 2019 to address this, including establishing a Care Coordination Business Line within their joint Health Executive Committee. This function is

⁶84 Fed. Reg. 30853 (June 28, 2019).

intended to develop mechanisms for making joint policy decisions, involve the appropriate decision makers for timely implementation of policy, and ensure that outcomes and goals are identified and achieved, among other things. By taking these steps, DOD and VA strengthen their oversight and more closely integrate care coordination efforts.

- **Tax Policies and Enforcement (2015-17):** Since 1980, partnerships' and S corporations' share of business receipts increased greatly.⁷ These entities generally do not pay income taxes; instead, income or losses (hundreds of billions of dollars annually) flow through to partners and shareholders on their personal income tax returns. In 2014, we found that the full extent of partnership and S corporation income misreporting is unknown.

Electronic filed (e-filed) tax returns provide the Internal Revenue Service (IRS) with digital information to improve enforcement operations and service to taxpayers. We recommended that Congress consider expanding the mandate that partnerships and corporations e-file their tax returns to cover a greater share of filed returns.

In 2018, Congress passed and the President signed legislation lowering the e-file threshold for partnership and corporation returns.⁸ Requiring greater e-filing of tax return information will help IRS identify which partnership and corporation tax returns would be most productive to examine, and could reduce the number of compliant taxpayers selected for examination. Further, expanded e-filing will reduce IRS's tax return processing costs.

- **Coordination of Overseas Stabilization Efforts (2019-12):** The United States has a national security interest in promoting stability in countries affected by violent conflict. We looked at how three federal agencies and an independent institute support conflict prevention, mitigation, and stabilization efforts, such as removing explosives

⁷An S corporation is a corporation meeting certain requirements that elects to be taxed under subchapter S of the Internal Revenue Code.

⁸Section 301 of the Tax Technical Corrections Act of 2018, division U of the Consolidated Appropriations Act, 2018, lowered the threshold of e-filing by partnerships incrementally over time—from 250 returns to 20 returns in calendar years after 2021. Pub. L. No. 115-141, § 301, 132 Stat. 348, 1183 (2018). Subsequently, section 2301 of the Taxpayer First Act incrementally lowered the threshold of e-filing for both partnerships and corporations from 250 returns to 10 returns in calendar years after 2021. Pub. L. No. 116-25, § 2301, 133 Stat. 981, 1012–1013 (2019).

hidden near homes. In 2019, we found that although these entities have worked together in Iraq, Nigeria, and Syria, they had not documented their agreement on key areas of collaboration, such as clarifying roles and responsibilities for stabilization efforts.

We recommended that the Departments of State and Defense and the U.S. Agency for International Development should document their agreement to coordinate U.S. stabilization efforts. In 2019, the agencies took several steps to address this such as publishing a directive with the agreed upon definition of stabilization, description of agency roles and responsibilities, and related policies and guidance.

Articulating their agreement in formal documents should help strengthen the agencies' coordination of U.S. stabilization efforts and mitigate the risks associated with fragmentation, overlap, and duplication.

Action on Remaining and New Areas Could Yield Significant Additional Benefits

Congress and executive branch agencies have made progress toward addressing the 1,076 actions we have identified since 2011.⁹ However, further efforts are needed to fully address the 467 actions that are partially addressed, not addressed, or new.¹⁰ We estimate that at least tens of billions of dollars in additional financial benefits could be realized should Congress and executive branch agencies fully address open actions, and other improvements can be achieved as well.¹¹

Open Areas Directed to Congress and Executive Branch Agencies with Potential Financial Benefits

In our 2011 to 2020 annual reports, we directed 110 actions to Congress, including the three new congressional actions we identified in 2020. Of the 110 actions, 58 (about 53 percent) remained open as of March 2020. Appendix V has a full list of all open congressional actions.

⁹The 1,076 actions include 908 actions identified from prior year reports and 168 new actions we identified in this report.

¹⁰The 467 actions include the 168 new actions we identified in this report, less the 10 new actions that closed as addressed prior to the issuance of this report.



¹¹In calculating this estimate, we relied on individual estimates from a variety of sources, which considered different time periods and utilized different data sources, assumptions, and methodologies. These estimates are subject to increased uncertainty, depending on whether, how, and when they are addressed. This amount represents a rough estimate of financial benefits.

We also directed 966 actions to executive branch agencies, including 165 new actions identified in 2020.¹² As shown in figure 5, these actions span the government and are directed to dozens of federal agencies. Six of these agencies—DOD, IRS, OMB, VA, and the Departments of Health and Human Services (HHS) and Homeland Security, have more than 20 open actions. Of the 966 actions, 409 (42 percent) remained open as of March 2020.

¹²Ten of the 165 new actions directed to executive branch agencies were addressed and therefore closed prior to the issuance of this report.

Figure 5: Number of Partially Addressed and Not Addressed Actions since 2011, by Agency

Agency	Number of open actions		Total
Department of Defense	45	48	93
Department of Health and Human Services	22	33	55
Internal Revenue Service	23	24	47
Department of Homeland Security	14	22	36
Department of Veterans Affairs	16	10	26
Office of Management and Budget	7	17	24
Social Security Administration	13	7	20
Other Federal Entities ^a	9	6	15
Department of Commerce	6	8	14
Department of the Treasury	5	9	14
Office of Personnel Management	4	9	13
Department of Energy	5	7	12
Environmental Protection Agency	3	9	12
Department of State	5	6	11
Department of Transportation	3	8	11
Department of the Interior	4	6	10
United States Department of Agriculture	5	5	10
Department of Labor	2	7	9
Department of Housing and Urban Development	3	4	7
Department of Justice	4	3	7
General Services Administration	5	1	6
National Aeronautics and Space Administration	2	4	6
Small Business Administration	2	4	6
Department of Education	3	2	5
National Science Foundation	2	3	5
Nuclear Regulatory Commission	1	2	3

 Number of actions partially addressed
 Number of actions not addressed

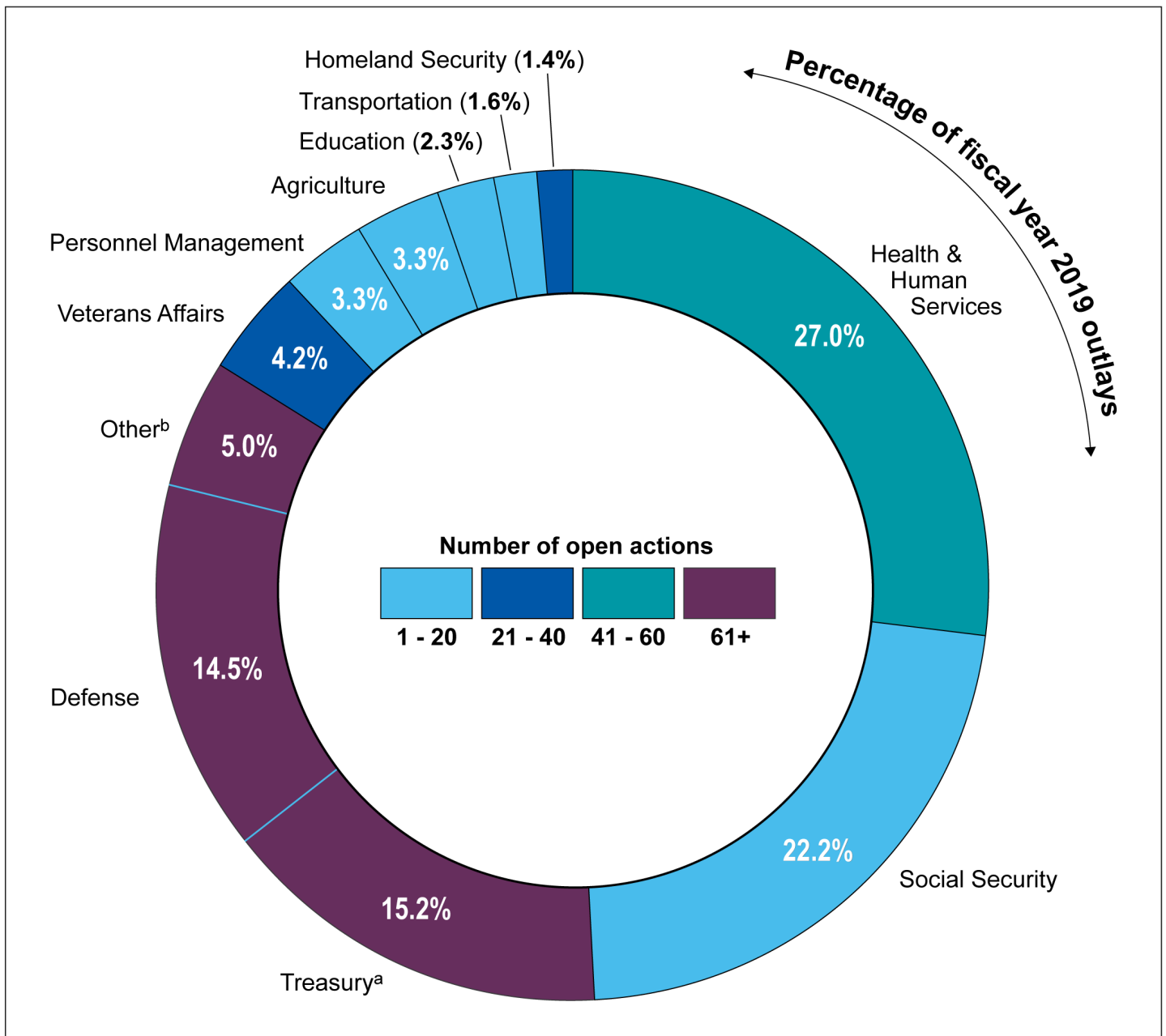
Source: GAO. | GAO-20-440SP

Note: The total number of open actions in this figure (477) does not equal the total number of open actions directed to executive branch agencies (409) as of March 2020. From 2011 through 2019, individual actions were counted multiple times when they were directed to more than one federal department or agency. From 2020 onward, individual actions are counted one time for each federal department or agency. Open actions include actions that are partially addressed, not addressed, and new actions introduced in this 2020 annual report.

^a"Other federal entities" reflects open actions directed to the following federal entities: The Executive Office of the President, Office of Science and Technology Policy, Corporation for National and Community Service, Consumer Financial Protection Bureau, Federal Reserve, the Committee on STEM Education, Federal Communications Commission, Federal Deposit Insurance Corporation, and National Credit Union Administration.

A significant number of open actions are directed to four agencies that made up about 79 percent of federal outlays in fiscal year 2019—HHS, the Social Security Administration, the Department of the Treasury (Treasury), and DOD. Figure 6 highlights agencies with open actions as well as their fiscal year 2019 share of federal outlays.

Figure 6: Fiscal Year 2019 Outlays and Number of Open Actions since 2011, by Agency



Source: GAO. | GAO-20-440SP

^aTreasury's percentage of fiscal year 2019 outlays includes interest payments on the national debt as well as costs associated with administering its bureaus, including IRS.

^bOther agencies include all federal agencies with fiscal year 2019 outlays not listed above.

We identified potential financial benefits associated with many open areas with actions directed to Congress and the executive branch. These benefits range from millions of dollars to tens of billions of dollars. For example, DOD could potentially save hundreds of millions of dollars annually by accurately measuring and reducing excess funded, unfinished work at military depots.

In another example, IRS should establish a formal collaborative mechanism with the Department of Labor to better manage fragmented efforts and enhance compliance for certain individual retirement accounts that engaged in prohibited transactions, and thereby potentially increase revenues by millions of dollars.

Table 6 highlights examples of areas where additional action could potentially result in financial benefits of \$1 billion or more.

Table 6: Examples of Areas with Open Actions with Potential Financial Benefits of \$1 Billion or More

Area name and description (year-number links to Action Tracker)	Mission	Potential financial benefits ^a (Source)
<p>*DOE’s Treatment of Hanford’s Low-Activity Waste (2018-17): The Department of Energy (DOE) may be able to reduce certain risks by adopting alternative approaches to treating a portion of its low-activity radioactive waste. (GAO-17-306)</p>	Energy	Tens of billions (GAO)
<p>*Advanced Technology Vehicles Manufacturing Loan Program (2014-13): Unless the Department of Energy can demonstrate demand for new Advanced Technology Vehicles Manufacturing loans and viable applications, Congress may wish to consider rescinding all or part of the remaining credit subsidy appropriations. (GAO-14-343SP)</p>	Energy	\$4.3 billion (DOE)
<p>Federal Shared Services (2019-05): The Office of Management and Budget and the General Services Administration could better position themselves to achieve their cost savings goals and reduce inefficient overlap and duplication by strengthening their implementation of selected federal shared service reform efforts. (GAO-19-94)</p>	General government	\$2 billion over 10 years (Office of Management and Budget)
<p>*Oil and Gas Resources (2011-45): Congress may wish to provide additional guidance or take additional actions to direct the Department of the Interior to improve management of federal oil and gas resources. (GAO-19-531, GAO-15-39, GAO-14-50, GAO-10-313, GAO-09-74, GAO-08-691)</p>	Energy	\$1.7 billion over 10 years (Department of the Interior)
<p>*U.S. Enrichment Corporation Fund (2015-16): Congress may wish to permanently rescind the entire \$1.7 billion balance of the U.S. Enrichment Corporation Fund. (GAO-15-404SP)</p>	Energy	\$1.7 billion (GAO)

Area name and description (year-number links to Action Tracker)	Mission	Potential financial benefits ^a (Source)
<p>*Tobacco Taxes (2013-31)</p> <p>By modifying tobacco tax rates to eliminate tax differentials between similar tobacco products Congress could reduce federal revenue losses from substitution, which were as much as \$2.5 to \$3.9 billion between April 2009 and September 2018. For example, if the pipe tobacco tax rate were equal to the higher rate for similar products, it could increase revenues by an estimated \$1.3 billion between fiscal year 2019 and fiscal year 2023 (GAO-19-467, GAO-12-475)</p>	International affairs	\$1.3 billion (GAO)
<p>Medicare Clinical Laboratory Payments (2019-25):</p> <p>The Centers for Medicare & Medicaid Services should take steps to avoid paying more than necessary for clinical laboratory tests. (GAO-19-67)</p>	Health	\$1 billion, or billions (GAO)
<p>*Medicare Payments by Place of Service (2016-30):</p> <p>Medicare could have cost savings if Congress were to equalize the rates Medicare pays for certain health care services, which often vary depending on where the service is performed. (GAO-16-189)</p>	Health	Billions annually (MedPAC and Bipartisan Policy Center)
<p>Additional Opportunities to Improve Internal Revenue Service Enforcement of Tax Laws (2013-22)</p> <p>The Internal Revenue Service can realize cost savings and increase revenue collections by billions of dollars by, among other things, using more rigorous analyses to better allocate enforcement and other resources. (GAO-13-156, GAO-13-151)</p>	General government	Billions (GAO)
<p>Department of Energy Environmental Liability (2019-20):</p> <p>DOE could develop a program-wide strategy to improve decision-making on cleaning up radioactive and hazardous waste. (GAO-19-28)</p>	Energy	Billions (GAO)
<p>*Navy Shipbuilding (2017-18):</p> <p>The Navy could achieve cost savings by improving its acquisition practices and ensuring that ships can be efficiently sustained. (GAO-20-2, GAO-17-211, GAO-16-71)</p>	Defense	Billions (GAO)
<p>Identity Theft Refund Fraud (2016-22):</p> <p>The Internal Revenue Service could improve the agency's efforts to prevent refund fraud associated with identity theft. (GAO-20-174, GAO-18-418, GAO-16-508)</p>	General government	Billions (GAO)
<p>*Internal Revenue Service Enforcement Efforts (2012-44):</p> <p>Enhancing the Internal Revenue Service enforcement and service capabilities can help reduce the gap between taxes owed and paid by collecting billions in tax revenue and facilitating voluntary compliance. (GAO-12-176, GAO-11-493, GAO-09-238, GAO-08-956)</p>	General government	Billions (GAO)
<p>*Tax Expenditures (2011-17):</p> <p>Periodic reviews could help identify ineffective tax expenditures and redundancies in related tax and spending programs, potentially reducing revenue losses. (GAO-16-622, GAO-15-83)</p>	General government	Billions (GAO)

Legend: * = Legislation is likely to be necessary to fully address all actions in this area.

Source: GAO | GAO-20-440SP

Note: All estimates of potential savings are dependent on various factors, such as whether action is taken and how it is taken. Actual savings may be less, depending on costs associated with

implementing the action, unintended consequences, and the effect of other factors that could and should be controlled. The individual estimates in this table should be compared with caution, as they come from a variety of sources, which consider different time periods and utilize different data sources, assumptions, and methodologies.

^aGAO developed the notional estimates, which are intended to provide a sense of potential magnitude of financial benefits. Notional estimates have been developed using broad assumptions about potential benefits which are rooted in previously identified losses, the overall size of the program, previous experience with similar reforms, and similar rough indicators of potential benefits. GAO generally determines the notional label (“millions” vs. “tens of millions” vs. “hundreds of millions”) using a risk-based approach that takes into account such factors as the possible minimum and maximum values of the cost savings estimate (where available), the quality of the data underlying those values, the certainty of those values, and/or the rigor of the estimation method used.

Open Areas with Other Benefits Directed to Congress and Executive Branch Agencies

Table 7 shows selected areas where Congress and executive branch agencies can take action to achieve other benefits, such as increased public safety, and more effective delivery of services.

Table 7: Additional Examples of Open Areas Directed to Congress and Executive Branch Agencies

Area name and description (year-number links to Action Tracker)	Mission	Potential benefit
Public Health and Medical Emergency Response (2020-10): Improved coordination and communication between the Department of Homeland Security’s Office of the Assistant Secretary for Preparedness and Response and its emergency support agencies—including the Federal Emergency Management Agency and Departments of Defense and Veterans Affairs—could help address fragmentation and ensure the effective provision of public health and medical services during a public health emergency. (GAO-19-592)	Health	More effective provision of public health and medical services during a public health emergency
Federal Research (2019-15): Implementing leading practices for collaboration to better manage fragmentation could help agencies improve their research efforts to maintain U.S. competitiveness in quantum computing and synthetic biology. (GAO-18-656)	Science and the environment	Maintain U.S. competitiveness in the global economy
Disaster Response Contracting (2019-21): Agencies could improve contracting decisions and interagency coordination by formalizing processes for lessons learned and updating guidance on maximizing the use of advance contracts, to the extent practical and cost-effective. (GAO-19-281 , GAO-19-93)	General government	Better coordination and reduced risk of paying more than needed for products and services
DOD Advertising (2017-05): The Department of Defense should improve coordination and information sharing across its fragmented advertising programs for more efficient and effective use of resources. (GAO-20-93 , GAO-16-396)	Defense	More efficient and effective use of DOD’s advertising resources

Area name and description (year-number links to Action Tracker)	Mission	Potential benefit
Domestic Disaster Assistance (2012-51): The Federal Emergency Management Agency could reduce the costs to the federal government related to major disasters declared by the President by updating the principal indicator on which disaster funding decisions are based and better measuring a state's capacity to respond without federal assistance. (GAO-12-838)	Social services	Better assessment of states' capabilities to respond to and recover from disaster
*Food Safety (2011-01): The Office of Management and Budget, relevant agencies, and Congress can address inconsistent oversight, ineffective coordination, and inefficient use of resources caused by the fragmented federal approach to food safety. (GAO-17-74, GAO-15-180)	Agriculture	Reduced fragmentation for federal food safety oversight efforts
Economic Development Programs (2011-09): The efficiency and effectiveness of fragmented economic development programs are unclear. (GAO-12-819)	Economic development	Better information to assess the effectiveness of programs supporting entrepreneurs

Legend: * = Legislation is likely to be necessary to fully address all actions in this area.
 Source: GAO | GAO-20-440SP

This report was prepared under the coordination of Jessica Lucas-Judy, Director, Strategic Issues, who may be reached at (202) 512-9110 or lucasjudyj@gao.gov, and J. Christopher Mihm, Managing Director, Strategic Issues, who may be reached at (202) 512-6806 or mihmj@gao.gov. Specific questions about individual issues may be directed to the area contact listed at the end of each summary. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.



Gene L. Dodaro
 Comptroller General of the United States

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Appendix I: Objectives, Scope, and Methodology

Section 21 of Public Law 111-139, enacted in February 2010, requires us to conduct routine investigations to identify federal programs, agencies, offices, and initiatives with duplicative goals and activities within departments and government-wide.¹ This provision also requires us to report annually to Congress on our findings, including the cost of such duplication, with recommendations for consolidation and elimination to reduce duplication and specific rescissions (legislation canceling previously enacted budget authority) that Congress may wish to consider.

Our objectives in this report are to (1) identify potentially significant areas of fragmentation, overlap, and duplication and opportunities for cost savings and enhanced revenues that exist across the federal government; (2) assess to what extent have Congress and executive branch agencies addressed actions in our 2011 to 2019 annual reports; and (3) highlight examples of open actions directed to Congress or key executive branch agencies.

For the purposes of our analysis, we used the term “fragmentation” to refer to circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need. We used the term “overlap” when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. We considered “duplication” to occur when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries.² While fragmentation, overlap, and duplication are associated with a range of potential costs and benefits, we include them in this report only if there may be opportunities to improve how the government delivers these services.

This report presents 18 new areas of fragmentation, overlap, or duplication where greater efficiencies or effectiveness in providing government services may be achievable. The report also highlights 11 other new opportunities for potential cost savings or revenue

¹Pub. L. No. 111-139, § 21, 124 Stat. 8, 29 (2010), *codified at* 31 U.S.C. § 712 note.

²We recognize that there could be instances where some degree of program fragmentation, overlap, or duplication may be warranted because of the nature or magnitude of the federal effort.

enhancements.³ In addition to these 29 new areas, we identified 88 new actions related to 10 existing areas presented in our 2011 to 2019 annual reports.⁴

To identify what actions, if any, exist to address fragmentation, overlap, and duplication and take advantage of opportunities for cost savings and enhanced revenues, we reviewed and updated our prior work and recommendations to identify what additional actions Congress may wish to consider and agencies may need to take. For example, we used our prior work identifying leading practices that could help agencies address challenges associated with interagency coordination and collaboration and with evaluating performance and results in achieving efficiencies.⁵

To identify the potential financial and other benefits that might result from actions addressing fragmentation, overlap, or duplication, or taking advantage of other opportunities for cost savings and enhanced revenues, we collected and analyzed data on costs and potential savings to the extent they were available. Estimating the benefits that could result from addressing these actions was not possible in some cases because information about the extent and impact of fragmentation, overlap, and duplication among certain programs was not available.

Further, the financial benefits that can be achieved from addressing fragmentation, overlap, or duplication or taking advantage of other

³Seven actions in three new areas were closed before this report was issued. One action in the Defense Agencies and DOD Field Activities Reform new area (2020-19) was addressed by the Department of Defense; all five actions in the Defense Travel new area (2020-30) were addressed by the Department of Defense; and the one action in the Expanding the Federal Payment Levy Program to Collect Unpaid Taxes new area (2020-31) was addressed by the Internal Revenue Service. More information on all seven of these actions is available in the *Action Tracker*.

⁴Two of the new actions in the existing Federal Data Centers area (2011-15) were addressed by the General Services Administration and the U.S. Agency for International Development, respectively, before this report was issued. Also, the Department of Defense addressed one action in the Weapons Systems Acquisition Programs area (2011-38), which is not shown in table 3. More information on all three actions is available in the *Action Tracker*.

⁵See, for example, GAO, *Managing for Results: Practices for Effective Agency Strategic Reviews*, GAO-15-602 (Washington, D.C.: July 29, 2015); and *Managing for Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, GAO-12-1022 (Washington, D.C.: Sept. 27, 2012). Additional information on GAO's work on the GPRM Modernization Act of 2010 (GPRAMA) can be found at http://www.gao.gov/key_issues/managing_for_results_in_government/issue_summary and information on GAO's work on best and leading practices in collaboration can be found at http://www.gao.gov/key_issues/leading_practices_collaboration/issue_summary.

opportunities for cost savings and enhanced revenues were not always quantifiable in advance of congressional and executive branch decision-making. In addition, the needed information was not readily available on, among other things, program performance, the level of funding devoted to duplicative programs, or the implementation costs and time frames that might be associated with program consolidations or terminations. As possible, we used partial data and conservative assumptions to provide rough estimates of potential savings magnitude, when more precise estimates were not possible.

Appendix VI provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, and cost savings or revenue enhancement discussed in this report, including budgetary information when available.

We assessed the reliability of any computer-processed data that materially affected our findings, including cost savings and revenue enhancement estimates. The steps that we take to assess the reliability of data vary but are chosen to accomplish the auditing requirement that the data be sufficiently reliable given the purposes for which they are used in our products. We review published documentation about the data system and inspector general or other reviews of the data. We may interview agency or outside officials to better understand system controls and to assure ourselves that we understand how the data are produced and any limitations associated with the data. We may also electronically test the data to see whether values in the data conform to agency testimony and documentation regarding valid values, or we may compare data to source documents. In addition to these steps, we often compare data with other sources as a way to corroborate our findings. For each new area in this report, specific information on data reliability is located in the related products.

We provided drafts of our new area summaries to the relevant agencies for their review and incorporated these comments as appropriate.

Assessing the Status of Previously Identified Actions

To examine the extent to which Congress and executive branch agencies have made progress in implementing the 908 actions in the approximately 325 areas we have reported on in previous annual reports on fragmentation, overlap, and duplication, we reviewed relevant legislation and agency documents such as budgets, policies, strategic and implementation plans, guidance, and other information between April 2019 and March 2020.

We also analyzed, to the extent possible, whether financial or other benefits have been attained, and included this information as appropriate (see discussion below on the methodology we used to estimate financial benefits.) In addition, we discussed the implementation status of the actions with officials at the relevant agencies. Throughout this report, we present our counts as of March 2020 because that is when we received our last updates. The progress statements and updates are published on GAO's [Action Tracker](#).

We used the following criteria in assessing the status of actions:

- In assessing actions suggested for Congress, we applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced.

Actions suggested for Congress may also move to “addressed” or “partially addressed” with or without relevant legislation if an executive branch agency takes steps that address all or part of the action needed. At the beginning of a new congressional session, we reapply the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session.

- In assessing actions suggested for the executive branch, we applied the following criteria: “addressed” means implementation of the action needed has been completed; “partially addressed” means the action needed is in development or started but not yet completed; and “not addressed” means the administration, the agencies, or both have made minimal or no progress toward implementing the action needed.

Since 2011, we have categorized 80 actions as “other” and are no longer assessing these actions. We categorized 48 “other” actions as “consolidated or other.” In most cases, “consolidated or other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. We also categorized 32 of the “other” actions as “closed-not addressed.” Actions are generally “closed-not addressed” when the action is no longer relevant because of changing circumstances.

Methodology for Generating Total Financial Benefits Estimates

To calculate the total financial benefits resulting from actions already taken (addressed or partially addressed) and potential financial benefits from actions that are not fully addressed, we compiled available estimates for all of the actions from GAO's *Action Tracker*, from 2011 through 2019, and from reports identified for inclusion in the 2020 annual report, and linked supporting documentation to those estimates. Each estimate was reviewed by one of our technical specialists to ensure that estimates were based on reasonably sound methodologies.

The financial benefits estimates came from a variety of sources, including our analysis, Congressional Budget Office estimates, individual agencies, the Joint Committee on Taxation, and others. Because of differences in time frames, underlying assumptions, quality of data and methodologies among these individual estimates, any attempt to generate a total will be associated with uncertainty that limits the precision of this calculation. As a result, our totals represent a rough estimate of financial benefits, rather than an exact total.

For actions that have already been taken, individual estimates of realized financial benefits covered a range of time periods stretching from 2010 through 2029. To calculate the total amount of realized financial benefits that have already accrued and those that are expected to accrue, we separated those that accrued from 2010 through 2019 and those expected to accrue between 2020 and 2029. For individual estimates that span both periods, we assumed that financial benefits were distributed evenly over the period of the estimate.⁶ For each category, we summed the individual estimates to generate a total. To account for uncertainty and imprecision resulting from the differences in individual estimates, we present these realized savings to the nearest billion dollars, rounded down.

There is a higher level of uncertainty for estimates of potential financial benefits that could accrue from actions not yet taken because these estimates are dependent on whether, how, and when agencies and Congress take our recommended actions, or due to lack of sufficiently detailed data to make reliable forecasts. As a result, many estimates of potential savings are notionally stated using terms like millions, tens of

⁶For example, if an individual estimate was for \$10 billion to accrue from 2015 to 2024, we assumed that \$1 billion would be earned each year. As a result, \$5 billion would be counted as "already accrued" through 2019, while the other \$5 billion would be counted as "expected to accrue" from 2020 and later.

millions, or billions, to demonstrate a rough magnitude without providing a more precise estimate.

Further, many of these estimates are not tied to specific time frames for the same reason. To calculate a total for potential savings, with a conservative approach, we used the minimum number associated with each term.⁷ To account for the increased uncertainty of potential estimates and the imprecision resulting from differences among individual estimates, we calculated potential financial benefits to the nearest \$10 billion, rounded down, and presented our results using a notional term.

This report is based upon work we previously conducted in accordance with generally accepted government auditing standards. Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁷For example, if we had stated that an agency could potentially save “hundreds of millions,” we would use \$100 million as part of our calculation of the total.

Appendix II: New Areas in Which GAO Has Identified Fragmentation, Overlap, or Duplication

This appendix presents 18 new areas in which we found evidence of fragmentation, overlap, or duplication among federal government programs.

1. Army Small Business Engagement

Army Futures Command should take steps to better manage fragmentation by formalizing its coordination with other Army organizations and to track and assess small businesses that are engaged in research and development.



Source: Department of Defense/Helene C. Stikkel. | GAO-20-440SP

Potential Benefit

Better coordination and improved tracking and assessment to improve the Army's modernization effort

Implementing Entity

Department of the Army

Link to Actions

GAO identified three actions for the Army to take related to small business engagement in support of research and development. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-511](#)

Contact Information

Jon Ludwigson at (202) 512-4841 or LudwigsonJ@gao.gov

The Army is planning to spend billions of dollars enhancing its capabilities and upgrading its weapon systems—a process it refers to as modernization. Army Futures Command, established in June 2018 by combining several existing Army organizations, oversees modernization and develops requirements and technology to achieve the Army's priorities. The Command considers small businesses a potential source for the technologies it needs to modernize weapon systems. Thus, to support modernization, the Command is working to increase access to innovation from small businesses engaged in research and development to identify and develop innovative capabilities that will support the warfighter.

In July 2019, GAO reported that Army Futures Command is continuing the Army's existing small business engagement initiatives for research and development, including the billions of dollars in contracts awarded prior to formation of the Command, and also plans to enhance and improve small business outreach. However, GAO found that the Command did not coordinate, track, or assess its activities to better manage fragmentation of effort.

Specifically, GAO found that Army small business engagement initiatives were fragmented as the Command did not fully leverage other Army organizations that have years of experience working with small businesses, such as the Army Office of Small Business Programs. GAO also found that the Command did not systematically track and measure its engagement with small businesses for research and development and that the Command's planning and management of its small business engagement efforts may lack complete information. Command officials stated that these deficiencies exist because they focused on establishing the Command and engaging with small businesses as quickly as possible.

Federal internal control standards state that, during the establishment of an organizational structure, management should consider how organizations across and outside of the new organization interact to fulfill their overall responsibilities. Further, these standards state that management should use quality information from reliable sources in a timely manner to achieve the Command's objectives. If the Command does not formalize coordination roles and responsibilities, it risks potentially duplicating small business-related work and creating overlap and fragmentation.

GAO identified three recommendations for the Department of the Army, including that it (1) formalize coordination roles and responsibilities for small business engagement in support of research and development, (2) systematically track its small business engagement in support of research and development across its subordinate organizations, and (3) establish Command-wide performance measures and develop a plan to use these measures to systematically assess the effectiveness of small business engagement in support of research and development. The Army concurred with these recommendations and stated it would implement them by June 2020.

As of February 2020, the Department of Defense (DOD) outlined steps Army Futures Command is taking to address GAO's recommendations. DOD officials stated that Army Futures Command Office of Small Business Programs is developing policies and formalizing the roles and responsibilities for small business engagement in support of research and development. Further, Army Futures Command has also developed processes to systematically track small business engagement in support of research and development across the Command. Command officials plan to use these data to develop a baseline for understanding the current industry footprint and capabilities, assessing the growth and gaps, and assessing the effectiveness of small business engagement across the Command. An Army Futures Command official stated that it is still developing Command-wide performance measures to systematically assess that effectiveness.

Improving the coordination, tracking, and assessing of the Army's small business engagement for research and development could better manage fragmentation in these efforts. These improvements could also better inform the command of its engagement with small businesses for research and development. The information gained will help Army Futures Command better direct small business engagement to provide needed capability to the warfighter.

Table 20 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. In its response, DOD officials stated that Army Futures Command is taking the steps necessary to implement GAO's recommendations, as reflected above.

Related GAO Product

Army Modernization: Army Futures Command Should Take Steps to Improve Small Business Engagement for Research and Development. [GAO-19-511](#). Washington, D.C.: July 17, 2019.

2. DOD Privatization of Utility Services

The Department of Defense should take steps to ensure the entities involved in privatizing utilities at military installations better manage fragmentation by improving collaboration in collecting data and capturing lessons learned.



Mission area:
Defense

Source: Department of Defense/Helene C. Stikkel. | GAO-20-440SP

Potential Benefit

Reduced time to award privatized utility services contracts

Implementing Entity

Department of Defense

Link to Actions

GAO identified two actions for the Department of Defense to improve collaboration related to utilities privatization. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-104](#)

Contact Information

Tim DiNapoli at 202-512-4841 or DiNapoliT@gao.gov

Since 1988, the military departments have privatized utility systems—such as electricity, natural gas, water, and wastewater—on military installations through the use of service contracts to companies who upgrade, maintain, and operate the systems. The Office of the Assistant Secretary of Defense for Sustainment oversees the Department of Defense's (DOD) utilities privatization program, and the military departments have statutory authority to convey, or privatize, utility systems under their jurisdiction, such as those on military installations. In the privatization process, military departments transfer ownership of utility systems to nonfederal utility providers who, according to DOD, in turn upgrade the utilities to industry standards and provide services back to the installation through utility services contracts.

DOD has acknowledged that it has not maintained its utility systems in accordance with industry standards due to competing funding priorities. To improve the reliability of its systems, DOD had privatized 614 of 2,590 utility systems on military installations worldwide as of December 2019. Members of Congress, DOD, and industry have expressed concerns over the amount of time needed to award utilities privatization contracts. DOD has a stated goal of reducing the amount of time needed to award these contracts.

In April 2020, GAO reported that from fiscal years 2016 through 2018, DOD components had awarded 21 new contracts for privatized utility services on military installations. On average, the contracting process took about 4 years from solicitation to contract award. GAO also found that DOD has demonstrated a number of leading practices for collecting, analyzing, validating, and sharing lessons learned to improve the timeliness of the utilities privatization process.

However, DOD does not maintain consistent data on the time required to complete key steps in the pre-award process. In particular, it does not have data on when military departments begin to consider privatization and when a complete inventory of the associated infrastructure, such as pipes and valves, is available to use in the solicitation process. No DOD regulation or policy that GAO reviewed requires collection of these data. However, in 2014, Defense Logistics Agency Energy officials established milestones to plan and monitor key pre-award activities. GAO found that the length of time from receipt of requirements to contract award was reduced from an average of 61 months pre-2014 to an average of 35 months post-2014.

As DOD does not collect consistent information on the time needed to complete key steps to award utility services contracts, including how long it takes for military departments to complete inventories of the systems they are considering for privatization, the department is missing opportunities to use lessons learned to reduce the time to award contracts. Further, DOD does not have a repository for archiving specific lessons learned from utilities privatization efforts.

GAO recommended that the Assistant Secretary of Defense for Sustainment collaborate with the military departments and Defense Logistics Agency to (1) collect consistent information on the time to complete key steps in the pre-award contracting process for privatizing utility services, and (2) develop a mechanism to store and archive lessons learned regarding the pre-award contracting process for privatization of utility services. DOD partially concurred with both recommendations, noting that it would be beneficial to expand the actions to include other contracting activities and to capture post-award lessons learned. GAO agrees that such an expansion would be helpful in efforts to collect more data. As of March 2020, DOD had not identified a plan of action to address these recommendations.

By implementing the recommendations, the entities involved in utilities privatization could better manage fragmented efforts. The information gained could assist stakeholders on the remaining 580 utility systems DOD considers available for privatization.

Table 21 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided DOD with a draft of this report section for comment. DOD provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

DOD Utilities Privatization: Improved Data Collection and Lessons Learned Archive Could Help Reduce Time to Award Contracts. [GAO-20-104](#). Washington, D.C.: April 2, 2020.

3. SBA's Microloan Program

The Small Business Administration's Microloan Program should enhance its collaboration with other federal agencies that engage in microlending activities to better manage fragmentation.



Mission area:
Economic development

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit
Improved coordination and collaboration

Implementing Entity
Small Business Administration

Link to Actions
GAO identified one action for SBA to enhance its collaboration with other federal agencies that engage in microlending activities. See GAO's [Action Tracker](#).

Related GAO Product
[GAO-20-49](#)

Contact Information
William B. Shear at (202) 512-8678 or shearw@gao.gov

The Small Business Administration's (SBA) Microloan Program integrates microlevel financing with training and technical assistance for women, low-income individuals, minority entrepreneurs, and other small businesses that need small amounts of assistance. The program has grown in recent years—from about 3,900 small business loans totaling approximately \$55.8 million in 2014 to about 5,400 loans totaling approximately \$76.9 million in 2018.

SBA is authorized to provide loans of up to \$50,000 to eligible small businesses, through intermediary lending institutions (generally nonprofit lenders). Microlending activities across other federal agencies are fragmented. For instance, the Department of the Treasury (Treasury) administers the Community Development Financial Institutions (CDFI) Fund, which finances designated private-sector financial institutions, called "CDFIs." The CDFI program provides financial assistance awards and technical assistance awards, which CDFIs can use for microlending activities. The U.S. Department of Agriculture's (USDA) Rural Microentrepreneur Assistance Program provides microlending in rural areas.

In November 2019, GAO found that SBA's Microloan Program generally did not have significant collaboration, such as information or data sharing, with other federal agencies that engage in microlending activities. Approximately 73 percent of SBA's participating lenders, called intermediaries, also participated in Treasury's CDFI Program and approximately 18 percent also were in USDA's Rural Microentrepreneur Assistance Program. An SBA official was a designee on the CDFI Advisory Board, but there was no other formal or direct involvement from the Microloan Program Office.

Moreover, although SBA and USDA have a memorandum of understanding that seeks to strategically align efforts to promote stronger rural businesses and agricultural economies, these efforts have not included coordination specific to the SBA Microloan Program. As a result, SBA may be missing opportunities to enhance existing collaborative efforts and leverage existing resources from these agencies.

GAO recommended that SBA explore opportunities for additional interagency collaboration and information sharing with other federal agencies that engage in microlending activities, such as Treasury and USDA, and take steps to implement new collaborative efforts as warranted. As of March 2020, SBA had not fully implemented the recommendation.

Implementation of the recommendation, with which SBA partially agreed, could enhance oversight and evaluation of the Microloan Program. Given the interagency collaboration currently in place with Treasury and USDA, SBA could benefit from exploring more specific information sharing and from leveraging data collection resources on the Microloan Program with these agencies. For instance, increased information sharing from Treasury and USDA on their microlending activities could provide a more comprehensive understanding of how intermediaries use microloans, the types of borrowers that receive the funds, and the types of performance goals and measures collected across the agencies.

Table 22 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to SBA for review and comment. SBA stated it plans to continue to explore opportunities for collaboration with USDA and Treasury. SBA also provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

SBA Microloan Program: Opportunities Exist to Strengthen Program Performance Measurement, Collaboration, and Reporting. [GAO-20-49](#). Washington, D.C.: November 19, 2019.

4. Bank Secrecy Act Implementation

The Financial Crimes Enforcement Network should ensure consistent participation by the futures sector in key Bank Secrecy Act collaboration mechanisms to help address fragmentation and improve implementation.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Improving oversight and implementation of the Bank Secrecy Act in the futures industry

Implementing Entity

Department of the Treasury, Financial Crimes Enforcement Network

Link to Actions

GAO identified two actions for FinCEN to ensure the consistent participation by the futures sector in key BSA collaboration mechanisms. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-582](#)

Contact Information

Michael E. Clements at (202) 512-8678 or ClementsM@gao.gov

The Financial Crimes Enforcement Network (FinCEN) in the Department of the Treasury collaborates with supervisory agencies (such as banking, securities, and futures regulators) and law enforcement agencies on implementing the Bank Secrecy Act (BSA) and related anti-money laundering requirements. U.S. financial institutions—including banks and futures brokers—help agencies detect money laundering and terrorist financing by complying with BSA requirements, such as verifying customers' identities and reporting suspicious financial activities.

The BSA advisory group, led by FinCEN, is the primary collaboration mechanism for sharing information and feedback on BSA implementation. In addition to federal agencies that are permanent members of the BSA advisory group, FinCEN selects other members such as self-regulatory organizations and industry associations. However, GAO found that the BSA advisory group, as well as data sharing mechanisms, did not fully address the fragmented structure of BSA implementation due to less participation by futures organizations than other industries.

The Commodity Futures Trading Commission (CFTC) is the federal agency that regulates the futures industry by providing oversight of certain futures entities and oversight of self-regulatory organizations that have compliance responsibilities for their members. The futures industry (where entities trade futures and options, which are contracts to buy and sell underlying assets) can be susceptible to money laundering by providing a method to disguise the original source of illicit funds. CFTC is a permanent member of the BSA advisory group.

GAO found that FinCEN selected the primary self-regulatory organization for the futures industry to be a member of the BSA advisory group less consistently than other industries' regulatory organizations that have similar anti-money laundering compliance roles. Until 2018, the primary self-regulatory organization had not participated in the group for almost 5 years.

Furthermore, GAO found that FinCEN selected the key futures industry association—which represents different types of futures entities—to be a member of the BSA advisory group less consistently than associations for other industries. FinCEN officials noted that there is a limit on the number of members allowed and that when selecting members, FinCEN needs to consider the top money laundering risk areas.

GAO also found that the futures industry's self-regulatory organization, the National Futures Association, did not have direct access to BSA data, unlike a self-regulatory organization and key regulators from other

financial industries (for example, banking and securities). FinCEN officials told GAO that the National Futures Association had not requested direct access to BSA data and would need to meet the required criteria to obtain direct access.

GAO recommended in August 2019 that the Director of FinCEN, after consulting with CFTC, consider prioritizing the inclusion of the futures industry's primary self-regulatory organization in the BSA advisory group and concurrently making the key futures industry association a member to be consistent with other industries' representation. GAO also recommended that the Director of FinCEN, after consulting with CFTC, explore providing direct BSA data access to the National Futures Association.

In commenting on the draft report, FinCEN disagreed with these recommendations, in part, because it noted they did not provide it with sufficient flexibility. GAO modified the first recommendation by recommending that FinCEN consider prioritizing, instead of ensuring, futures industry advisory group participation. GAO maintained the recommendation on data access as it provided sufficient flexibility for FinCEN to explore data access for the National Futures Association without precluding FinCEN from ensuring it had proper controls in place.

GAO continues to believe these recommendations are both valid. Without consistent involvement from both the primary futures self-regulatory organization and industry association, futures industry participants may not be fully represented, informed, or updated on key anti-money laundering information. By providing the National Futures Association with direct access to BSA data, FinCEN could facilitate the association's oversight of anti-money laundering regulations and enable it to better scope examinations.

Table 23 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to FinCEN for review and comment. In its comments, FinCEN continued to disagree with the recommendations and stated that no futures industry association had applied for BSA advisory group membership and that it advised CFTC staff on the areas that the National Futures Association should include as part of a request for direct BSA data access. GAO maintains that the recommendations are both valid, believes that FinCEN advising CFTC is a good first step, and will continue to monitor the implementation of these recommendations.

Related GAO Product

Bank Secrecy Act: Agencies and Financial Institutions Share Information but Metrics and Feedback Not Regularly Provided. [GAO-19-582](#). Washington, D.C.: August 27, 2019.

5. DATA Act Data Governance

The Office of Management and Budget, in collaboration with the Department of the Treasury, should establish a robust data governance structure to ensure greater consistency and comparability of reported data to better manage fragmentation in federal spending data.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Greater consistency and comparability of federal spending data to improve transparency, accountability, decision-making, and oversight

Implementing Entity

Office of Management and Budget

Link to Actions

GAO identified two actions to OMB to provide additional guidance to address issues with the definitions of key data elements and to develop a clear set of policies and procedures for maintaining data standards. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-75](#), [GAO-16-261](#),
[GAO-15-752T](#)

Contact Information

Michelle Sager at (202) 512-6806 or
sagerm@gao.gov

The Digital Accountability and Transparency Act of 2014 (DATA Act) contained new disclosure requirements on the roughly \$4 trillion in annual federal spending reported on [USAspending.gov](#) (Public Law 113-101). For example, the DATA Act required federal agencies to link their spending information to federal program activities so policymakers and the public can more effectively track federal spending.

The DATA Act also required the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury) to establish government-wide data standards for data reported on [USAspending.gov](#). Establishing an institutionalized set of policies and procedures for developing and implementing data standards—a data governance structure—is critical to maintaining the integrity of data standards over time. A properly implemented data governance structure could greatly increase the accuracy of the data made available to the public.

In 2015, 2016, and 2019, GAO identified challenges with reporting federal spending data as required by the DATA Act. While GAO identified improvements in the overall quality of the data on [USAspending.gov](#), longstanding challenges with the use of data standards and overall data governance led to fragmented reporting for some data elements.

For example, beginning in 2016, GAO identified challenges related to the implementation and use of two data elements—*Award Description* and *Primary Place of Performance Address*—that are particularly important to achieving the DATA Act's transparency goals. *Award Description* is defined as a brief description of the purpose of an award. *Primary Place of Performance Address* is defined as where the predominant performance of the award will be accomplished. Agencies differed in how they interpreted OMB's standard definitions for these data elements. As a result, agencies reported data on [USAspending.gov](#) that were not consistent or comparable and, in some cases, were difficult for users to understand.

Further, while OMB and Treasury have established some procedures for governing the data standards established under the DATA Act, as GAO found in 2015, a robust governance structure has yet to be fully developed and operational. Since the enactment of the DATA Act in 2014, OMB has relied on a shifting array of advisory bodies to obtain input on data standards. This approach has resulted in persistent challenges related to how agencies interpret and apply data standards.

To address these challenges, GAO made two recommendations: (1) in 2016, GAO recommended that OMB, in collaboration with Treasury, provide agencies with additional guidance to address potential clarity, consistency, or quality issues with the definitions for specific data elements including *Award Description* and *Primary Place of Performance Address*; and (2) in 2015, GAO recommended that OMB, in collaboration with Treasury, establish a set of clear policies and procedures for developing and maintaining data standards that are consistent with leading practices for data governance. GAO most recently reiterated these recommendations in November 2019.

OMB agreed with the first recommendation and did not provide comments on the second. OMB issued guidance in June 2018 which the agency said provides additional clarification on reporting requirements for some data element definitions. However, additional guidance is needed to clarify how agencies are to report spending data using standardized data element definitions that may be open to more than one interpretation.

GAO maintains implementing these recommendations could better manage fragmented reporting of federal spending data—especially key data elements for transparency—and ensure agencies are reporting data in a consistent, comparable, and transparent manner. In January 2020, OMB told GAO that guidance it issued in April and June 2019 set out key aspects of a process for agencies to establish data standards. While these and related efforts represent significant progress toward establishing a framework for developing and maintaining data standards, key questions remain regarding whether this approach will ensure the integrity of the data standards established under the DATA Act and lead to improvements in data quality.

Table 24 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to OMB for review and comment. OMB did not provide comments on this report section.

Related GAO Products

DATA Act: Quality of Data Submissions Has Improved but Further Action Is Needed to Disclose Known Data Limitations. [GAO-20-75](#). Washington, D.C.: November 8, 2019.

DATA Act: Data Standards Established, but More Complete and Timely Guidance Is Needed to Ensure Effective Implementation. [GAO-16-261](#). Washington, D.C.: January 29, 2016.

DATA Act: Progress Made in Initial Implementation but Challenges Must be Addressed as Efforts Proceed. [GAO-15-752T](#). Washington, D.C.: July 29, 2015.

6. Federal Agencies' Evidence-Building Activities

The Corporation for National and Community Service, Department of Health and Human Services, and Department of Labor could each improve their internal collaboration to more effectively build evidence to meet decision makers' needs, and thereby better manage fragmented efforts within their agencies.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

More effective evidence-building efforts

Implementing Entity

Corporation for National and Community Service, and Departments of Health and Human Services and Labor

Link to Actions

GAO identified three actions for CNCS, two actions for HHS, and two actions for DOL to enhance collaboration for evidence-building activities. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-119](#)

Contact Information

Michelle Sager at (202) 512-6806 or sagerm@gao.gov

Congress and the Executive Branch have taken actions intended to ensure decision makers have information about whether federal programs work as intended. For example, the Foundations for Evidence-Based Policymaking Act of 2018 created a framework to strengthen federal agencies' capacities to build evidence from sources such as research, performance data, and statistics (Public Law 115-435). Evidence-building activities include assessing existing evidence, identifying new evidence needs, and prioritizing when and how to fulfill those needs.

In December 2019, GAO found that evidence-building activities are fragmented within five agencies—the Corporation for National and Community Service (CNCS); the Departments of Education (Education), Health and Human Services (HHS), and Labor (DOL); and the U.S. Agency for International Development (USAID). Each agency has multiple organizational units responsible for evidence-building. At DOL, for example, the Bureau of Labor Statistics collects and analyzes statistics; the Office of the Chief Evaluation Officer conducts program evaluations; and the Performance Management Center develops performance data.

GAO found that to assess existing evidence, each agency established a coordinated, agency-wide process that reflects leading practices for collaboration. However, agencies' processes for determining which new evidence to generate, when, and how (i.e., prioritizing new evidence) did not always reflect those practices (see figure).

Figure 7: Agencies' Processes to Prioritize Evidence Mostly Reflect Leading Practices for Collaboration

Agency	GAO-identified leading practices for collaboration			
	Leadership	Participants	Responsibilities	Guidance
Corporation for National and Community Service	●	◐	◐	◐
Department of Education	●	●	●	●
Department of Health and Human Services	●	◐	●	◐
Department of Labor	●	◐	●	◐
U.S. Agency for International Development	●	●	●	●

● Reflects leading practice ◐ Partially reflects leading practice

Source: GAO analysis of agency information. | GAO-20-440SP

Note: The leading practices are (1) defining a *leadership* model; (2) involving relevant *participants*; (3) clarifying roles and *responsibilities*; and (4) documenting that information in written *guidance*.

According to officials at CNCS, HHS, and DOL, leading practices for collaboration were not always reflected because the agencies (1) generally prioritized which new evidence to generate through existing management processes designed for other purposes, or (2) wanted to provide flexibility in how these activities were undertaken. For example, since CNCS uses its budget formulation process to prioritize evidence, it tailors roles and responsibilities and written guidance to the purposes of budget formulation rather than evidence prioritization.

GAO made a total of seven recommendations—three to CNCS, two to HHS, and two to DOL—to better reflect leading practices for collaboration in their evidence prioritization processes. DOL concurred with the recommendations directed to it, and described planned actions to address them. GAO believes the actions would address the recommendations, if effectively implemented.

CNCS neither agreed nor disagreed, and HHS did not concur, with the recommendations directed to them, respectively. In their November 2019 comments on GAO's report, CNCS and HHS each stated that they had already taken relevant actions to address the recommendations. However, at that time, neither provided sufficient documentation to enable GAO to assess the extent to which the stated actions would address the recommendations. GAO continues to believe the recommendations are valid. Taking these actions would help the agencies ensure they effectively focus their limited resources to generate evidence to meet decision makers' needs.

Table 25 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Office of Management and Budget (OMB), CNCS, Education, HHS, DOL, and USAID for review and comment. In its response, HHS provided documentation in February 2020 about the actions it plans to take—as part of its implementation of the Foundations for Evidence-Based Policymaking Act—to address the two recommendations directed to it. GAO will monitor HHS's actions, which GAO believes would likely address its recommendations, if effectively implemented. CNCS and DOL informed GAO they had no comments on this report section. USAID provided technical comments, which GAO incorporated, as appropriate. OMB and Education did not provide comments.

Related GAO Product

Evidence-Based Policymaking: Selected Agencies Coordinate Activities, but Could Enhance Collaboration. [GAO-20-119](#). Washington, D.C.: December 4, 2019.

7. Individual Retirement Accounts

The Internal Revenue Service should establish a formal collaborative mechanism with the Department of Labor to better manage fragmented efforts and enhance compliance for certain individual retirement accounts that engaged in prohibited transactions, and thereby potentially increase revenues by **millions of dollars**.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Millions in tax changes as well as better coordination and taxpayer compliance

Implementing Entity

Internal Revenue Service and Department of Labor

Link to Actions

GAO identified five actions for IRS and DOL to improve oversight of individual retirement accounts. See GAO's [Action Tracker](#).

Related GAO Products

[GAO-20-210](#) and [GAO-19-495](#)

Contact Information

James R. McTigue, Jr. at (202) 512-9110 or mctiguej@gao.gov

Individual retirement account (IRA) owners are able to invest in a wide variety of assets, but they are prohibited from engaging in certain transactions involving IRA assets. Unconventional investments—such as real estate and private equity—in IRAs introduce risks to account owners navigating complex rules governing tax-favored retirement savings.

IRA owners who engage in transactions prohibited by law, such as an IRA buying investment property from the IRA owner, face additional taxes and loss of the tax-advantaged status of their accounts. Noncompliance with IRA rules and undervalued IRA assets—if not detected—can lead to uncollected federal tax revenue.

The Internal Revenue Service (IRS) and the Department of Labor (DOL) share oversight of IRA prohibited transactions rules. DOL has authority to interpret the rules and a process to grant administrative exemptions for IRA transactions that would otherwise be prohibited by law. IRS enforces all IRA tax laws, including prohibited transactions and other rules for unconventional IRA assets. However, noncompliance involving unconventional IRA assets is difficult to detect and time consuming for IRS to pursue. As a result, IRS enforcement for IRAs invested in unconventional and hard-to-value assets requires labor-intensive audits of individual taxpayers.

In June 2019 and January 2020, GAO found limited collaboration between IRS and DOL as well as fragmented responsibility among IRS divisions that oversee complex IRA rules. While IRS and DOL share some information about IRA prohibited transaction exemptions, DOL does not share information that could be useful to IRS for examiner training and IRA owner education because no formal collaborative mechanism exists.

Similarly at IRS, fragmented responsibility creates challenges for IRS examiners from different units who may need to share expertise and collaborate on IRA enforcement. For example, examiners in the division that audits individual IRA owners do not receive training on business income taxation for unconventional IRA assets.

GAO also reported that IRS officials said that current IRA custodian reporting may be inadequate for selecting IRAs with greater noncompliance risk for audit and detecting abusive IRA transactions. IRS identified about 1.6 million IRAs that held about \$137 billion in hard-to-value assets in 2016. However, an additional 400,000 IRAs were missing dollar amounts for hard-to-value assets. To detect abusive transactions,

IRS can require taxpayers to self-report certain transactions similar to those used by other taxpayers to avoid taxes. For example, in 2004, IRS determined that certain Roth IRA transactions designed to circumvent annual contribution limits are abusive and must be reported to IRS.

GAO recommended in June 2019 that IRS and DOL establish a formal means to collaborate on IRA-prohibited transaction exemptions. Each agency agreed with the recommendation directed to it. GAO also made three recommendations in January 2020 to IRS for improving taxpayer and examiner resources on unconventional IRA asset rules as well as evaluating the feasibility of additional disclosure for high-risk IRA assets associated with abusive tax schemes. IRS agreed with those recommendations as well.

Implementing GAO's recommendations to improve collaboration between IRS and DOL could reinforce information sharing between the agencies and sharing of expertise and training within IRS to improve collaboration on IRA enforcement. Implementing GAO's recommendation on additional disclosures for high-risk IRAs may help IRS enhance compliance through targeted audit selection to better allocate limited audit resources.

GAO cannot precisely estimate how these actions will affect future tax assessments. If even 1 percent of the 141,000 IRAs holding asset types that IRS has determined present greater noncompliance risk have committed prohibited transactions, potential tax assessments could amount to millions. The actual amount of revenue would depend on when and how IRS implements any changes, such as increasing disclosures for abusive transactions.

Table 26 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS and DOL for review and comment. In their March 2020 responses, IRS and DOL stated that they agreed to formalize collaboration on IRA prohibited transactions. The new information sharing process will be documented in forthcoming DOL procedures. In addition, IRS provided technical comments, which GAO incorporated as appropriate.

Related GAO Products

Individual Retirement Accounts: IRS Could Better Inform Taxpayers About and Detect Noncompliance Related to Unconventional Assets, [GAO-20-210](#). Washington, D.C.: January 27, 2020.

Individual Retirement Accounts: Formalizing Labor's and IRS's Collaborative Efforts Could Strengthen Oversight of Prohibited Transactions, [GAO-19-495](#). Washington, D.C.: June 7, 2019.

8. IRS Third Party Cybersecurity Practices

Increased coordination among the Internal Revenue Service's offices could better manage fragmented efforts to ensure the security of taxpayer information held by third-party providers.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Improved security of taxpayer information

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified one action to IRS to help improve coordination among offices and improve efforts to protect taxpayer information at third-party providers. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-340](#)

Contact Information

Jessica Lucas-Judy at (202) 512-9110 or LucasJudyJ@gao.gov

Third-party providers, such as paid tax return preparers and tax preparation software providers, have an enormous effect on the Internal Revenue Service's (IRS) administration of the tax system. About 90 percent of individual taxpayers (about 135.5 million in 2018) have their tax returns prepared and filed by paid preparers or use tax software to prepare their own returns. It is critical that taxpayers' information, which includes personally identifiable and other sensitive information, be kept secure to maintain public confidence and avoid data breaches that expose that information for use by fraudsters.

In May 2019, GAO found that IRS lacked centralized leadership with responsibility for coordinating all aspects of protecting taxpayer information held by paid preparers and tax software providers. Despite discrete responsibilities, fragmentation existed among seven offices for overseeing some portion of the security of taxpayer information collected by third parties. GAO found that no one office was responsible for the strategic vision, oversight, or coordination of all aspects of information security.

The absence of centralized leadership resulted in missed opportunities to ensure that third parties followed leading security controls to protect taxpayer information. For instance, IRS reported that not all tax software providers complied voluntarily with a subset of National Institute of Standards and Technology information security controls, which left about 1.6 million electronically filed returns not covered by the security controls. These controls are intended to strengthen organizations' information systems and the environments in which those systems operate—contributing to systems that are more resilient in the face of cyber attacks and other threats. However, no IRS office provided a clear reason why the controls were not incorporated into broader requirements for all tax software providers.

The lack of centralized leadership also resulted in IRS security standards that referred to an outdated encryption standard with known vulnerabilities. IRS officials stated that no office had identified a need to update these requirements in annual reviews since 2010, when IRS initially set the standards.

GAO recommended that IRS develop a governance structure or other form of centralized leadership, such as a steering committee, to coordinate all aspects of IRS's efforts to protect taxpayer information while at third-party providers. In its initial response to GAO's draft report, IRS disagreed with this recommendation. In December 2019, IRS said

that it agreed with the intent of the recommendation, but did not agree to implement it, citing the need for additional explicit authority to establish security requirements for the information systems of paid preparers and others who electronically file. IRS reported that to effectively establish data safeguarding policies and implement strategies enforcing compliance with those policies, a centralized leadership structure requires the statutory authority that clearly communicates the authority of IRS to do so. Without such authority, implementing the recommendation would be an inefficient, ineffective, and costly use of resources, according to IRS.

GAO continues to believe that IRS could implement this recommendation to improve coordination without additional statutory authority and could choose a leadership mechanism it determines to be low cost and efficient. Without this structure, it is unclear how IRS will adapt to changing security threats in the future and ensure those threats are mitigated. However, in its report, GAO also suggested that Congress consider providing IRS with explicit authority to establish security requirements for the information systems of paid preparers and others who electronically file.

Establishing a governance structure would help provide the needed leadership, coordination, and collaboration within IRS to better manage its fragmented efforts regarding the security of taxpayer information.

Table 27 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS did not provide comments on this report section.

Related GAO Product

Taxpayer Information: IRS Needs to Improve Oversight of Third Party Cybersecurity Practices. [GAO-19-340](#). Washington, D.C.: May 9, 2019.

9. Tax-Exempt Entities Compliance

The Internal Revenue Service should better leverage fragmented data about tax-exempt entities to enhance the detection of noncompliance, improve the effectiveness of enforcement programs, and enhance federal revenues by potentially **millions of dollars** in tax changes.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Millions of dollars in tax changes and increased program effectiveness

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified three actions to the Internal Revenue Service to improve its ability to assess compliance with federal tax laws relating to tax-exempt entities. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-491](#)

Contact Information

James R. McTigue, Jr., at (202) 512-9110 or mctiguej@gao.gov

Abusive tax schemes contribute to the tax gap and threaten the tax system's integrity. When abusive tax schemes involve tax-exempt entities, such as charities, they also can erode the public's confidence in the charitable sector. This sector included about 1.3 million religious, charitable, and similar organizations operating in the United States during fiscal year 2017. Researchers estimated that giving to charitable organizations totaled \$410 billion in fiscal year 2017 or about 2 percent of the U.S. gross domestic product.

Exempt organizations, including charities, are afforded favorable tax treatment on the premise that they are organized in accordance with their tax-exempt purpose, according to the Internal Revenue Service (IRS). Because of their exemption from federal income tax and the deductibility of charitable contributions made to them, tax-exempt entities are sometimes used as vehicles to conduct inappropriate schemes, such as when donors grossly overvalue charitable contributions. Consequently, IRS must continuously work to identify and address new abusive tax schemes involving charities and other types of tax-exempt entities.

In September 2019, GAO found that IRS operates a variety of fragmented programs working collectively to identify abusive tax schemes involving tax-exempt entities, but some internal control weaknesses exist in its approach. For example, GAO found the following three ways that IRS data or programs were inconsistent with internal control standards for using quality information:

- Database project codes used for identifying data on abusive tax schemes are not linked across IRS's audit divisions and do not consistently identify whether a tax-exempt entity was involved.
- IRS has not leveraged a database with cross-divisional information to facilitate its analysis and monitoring of audit data across divisions.
- IRS has not used existing analytic tools to mine the narrative fields of tax forms.

These deficiencies inhibit IRS's ability to identify abusive tax schemes and develop responses to those schemes.

Based on the findings, GAO recommended that the Commissioner of Internal Revenue should link audit data on abusive tax schemes involving tax-exempt entities across operating divisions, and use the data to assess emerging issues and develop policy responses. GAO also recommended

testing an existing database's ability to facilitate analysis and monitoring of fragmented audit data across operating divisions and that IRS use existing data tools to mine data from certain information returns, which could be used to find audit leads on tax-exempt entities' involvement in potentially abusive schemes.

In a written response, IRS agreed with GAO's recommendations and said that the recommendations would provide IRS with additional opportunities for improving the identification of tax schemes involving exempt entities. As of February 2020, IRS said it was still implementing the recommendations.

By implementing GAO's recommendations, IRS could enhance its efforts to better manage fragmentation and to identify and combat abusive tax schemes that involve tax-exempt entities. Such enhancements also could strengthen the public's confidence in the nonprofit sector and potentially augment federal revenue collection because IRS potentially could make millions of dollars in additional tax changes based on an estimate derived from current tax changes of similar, existing audit cases from fiscal years 2008 through 2017.

GAO cannot precisely estimate how these actions will impact future tax assessments. However, tax changes made in analogous audits from 2008 to 2017 resulted in additional assessments averaging about \$19 million per year. If these new actions increased that amount by even 5 percent, it could amount to potentially millions of dollars of additional assessments over a 5-year period.

Table 28 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. In February 2020, IRS sent GAO a response saying the agency is working to eliminate conditions that inhibit the agency's ability to identify abusive tax schemes by evaluating existing database project codes to link data across audit divisions and improve the analysis of data monitoring and mining.

Related GAO Product

Tax-Law Enforcement: IRS Could Better Leverage Existing Data to Identify Abusive Schemes Involving Tax-Exempt Entities. [GAO-19-491](#). Washington, D.C.: September 5, 2019.

10. Public Health and Medical Emergency Response

Improved coordination and communication between the Office of the Assistant Secretary for Preparedness and Response and its emergency support agencies could help address fragmentation and ensure the effective provision of public health and medical services during a public health emergency.



Mission area:
Health

Source: Dynamic Graphics. | GAO-20-440SP

Potential Benefit

More effective provision of public health and medical services during a public health emergency

Implementing Entity

Office of the Assistant Secretary for Preparedness and Response

Link to Actions

GAO identified four actions to ASPR to improve its coordination and communication with its emergency support agencies prior to and during public health emergencies. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-592](#)

Contact Information

Mary Denigan-Macauley at (202) 512-7114 or DeniganMacauleyM@gao.gov

In September 2017, two major hurricanes—Irma and Maria—devastated the U.S. Virgin Islands and Puerto Rico within 2 weeks of each other. Because of the extent of the damage from these hurricanes—including extensive power outages and a loss of clean water, telecommunication systems, and transportation systems, including roads, bridges, ports, and airport runways—the federal response was a large-scale and complex operation. The Office of the Assistant Secretary for Preparedness and Response (ASPR), an agency within the Department of Health and Human Services, is the lead agency for emergency public health and medical services responses.

As such, ASPR led the federal public health and medical services response to Hurricanes Irma and Maria in the U.S. Virgin Islands and Puerto Rico. As part of its lead role in this response, ASPR coordinated assistance from other federal support agencies including the Federal Emergency Management Agency and the Departments of Defense (DOD) and Veterans Affairs. However, key deficiencies with ASPR's leadership of the response resulted in confusion among responders from support agencies.

GAO found that for about 5 days after Hurricane Irma, ASPR did not track patients evacuated from the U.S. Virgin Islands to Puerto Rico through the National Disaster Medical System due to the delayed deployment of tracking teams. As a result, ASPR officials did not initially know the locations of some evacuated patients in Puerto Rico. Once in Puerto Rico, teams of responders had to drive around the territory looking for evacuees, according to ASPR officials.

ASPR also did not have a sufficient understanding of support agencies' capabilities prior to the hurricanes, which resulted in some deployed resources not being properly utilized. In addition, GAO found that ASPR does not have a strategy, and thus remains unprepared, to ensure public health and medical emergency response core capabilities if DOD's capacity to respond is limited. Also, ASPR's 2018 draft after-action report is missing the perspectives of key parties involved in the response, including its support agencies. As a result, the likelihood that deficiencies will recur in future responses increases.

To address this fragmentation, GAO made four recommendations to ASPR in its September 2019 report, including that it (1) exercise its federal patient movement framework with its support agencies, (2) work with its support agencies to better understand their capabilities and

limitations, (3) develop a strategy for how it will provide emergency response services if DOD's capacity is limited, and (4) ensure the perspectives of key external parties are incorporated in its after-action reports. ASPR officials agreed with all four recommendations.

Implementation of these recommendations could help ensure better management of fragmentation by improving coordination and communication between ASPR and its support agencies prior to and during public health emergencies.

Table 29 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to the Department of Health and Human Services (HHS) for review and comment. HHS commented that ASPR will explore funding opportunities to support an exercise of its federal patient movement framework with its support agencies. In addition, HHS officials stated that ASPR would continue to support interagency liaison officers to provide updates on available resources. While GAO agrees that HHS should continue this practice, the misalignment GAO identified underscores that this was not adequate during the response to Hurricanes Irma and Maria in the U.S. Virgin Islands and Puerto Rico. Moreover, ASPR officials acknowledged that more needs to be done to better understand the resources available. Finally, HHS commented that ASPR has implemented air transportation contracts to begin decreasing its reliance on DOD. GAO will continue to monitor the implementation of these recommendations.

Related GAO Product

Disaster Response: HHS Should Address Deficiencies Highlighted by Recent Hurricanes in the U.S. Virgin Islands and Puerto Rico. [GAO-19-592](#). Washington, D.C.: September 20, 2019.

11. VA Long-Term Care Fragmentation

The Department of Veterans Affairs should implement a consistent approach to better manage long-term care programs at the Veterans Affairs Medical Center level and improve access to the right care for veterans.



Mission area:
Health

Source: Dynamic Graphics. | GAO-20-440SP

Potential Benefit

Better long-term care for veterans

Implementing Entity

Department of Veterans Affairs

Link to Actions

GAO identified one action to the Department of Veterans Affairs. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-284](#)

Contact Information

Sharon M. Silas at (202) 512-7114 or silass@gao.gov

In fiscal year 2018, the Department of Veterans Affairs (VA) provided or paid for long-term care for over 500,000 veterans through 14 long-term care programs. As one of the largest health care systems in the United States, VA faces challenges similar to other health care providers when seeking to meet the growing need for long-term care as the U.S. population ages. VA recognizes it faces challenges meeting the demand for long-term care and has taken some steps to address these challenges.

In February 2020, GAO found that VA Medical Centers (VAMC) do not have a consistent approach to managing VA's 14 long-term care programs. Within the VAMCs, the management of these programs is fragmented across multiple departments. For example, VA officials from the Geriatrics and Extend Care (GEC) office, which oversees the long-term care programs, reported that long-term care at individual VAMCs without GEC staff could be run by one or more other departments without a GEC point of contact at the facility to ensure consistency. As a result, the other departments may organize long-term care programs differently, which could limit the VAMC's ability to provide veterans the right care.

Further, VAMCs are inconsistent in determining the amount of noninstitutional long-term care services veterans should receive, such as aging at home with the help of home health aides. VA officials told GAO that, as of October 2019, VAMCs used different methods to assess the amount of noninstitutional long-term care services veterans need. As a result, decisions about the amount of services veterans receive may vary by VAMC.

GAO recommended that VA direct GEC leadership to set time frames for and implement a consistent approach to managing long-term care programs at the VAMC level. VA agreed and stated it will work in partnership with officials across VA to establish a time frame for the execution of a uniform GEC structure at the VAMC level. VA is targeting March 30, 2021, as the date by which this will be implemented.

According to an internal VA report from June 2019, implementing a standard GEC structure at the VAMC level will improve VA's ability to manage fragmentation across departments, and to reliably and equitably serve veterans by providing veterans with a consistent approach to long-term care programs.

Table 30 in appendix VI provide additional program information related to this issue area.

**Agency Comments
and GAO's
Evaluation**

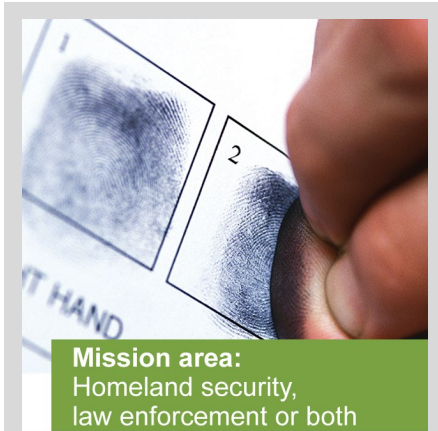
GAO provided a draft of this report section to VA for review and comment. VA provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

VA Health Care: Veterans' Use of Long-Term Care Is Increasing, and VA Faces Challenges in Meeting the Demand. [GAO-20-284](#). Washington, D.C.: February. 19, 2020.

12. Coast Guard Specialized Forces

Assessing the extent to which unnecessary and potentially inefficient overlap or duplication exists among Deployable Specialized Forces' capabilities would better position the Coast Guard to identify capability gaps and reallocate resources, as needed, and could potentially save **millions of dollars**.



Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Millions of dollars

Implementing Entity

Coast Guard

Link to Actions

GAO identified one action for the Coast Guard to achieve cost savings. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-33](#)

Contact Information

Nathan Anderson at (202) 512-8777 or andersonn@gao.gov

The Coast Guard maintains Deployable Specialized Forces units to protect ports and waters from drug activities, terrorism, and other threats, such as environmental disasters.

In November 2019, GAO found that the Coast Guard might not have the right mix and number of Deployable Specialized Forces personnel needed to meet mission demands. Officials from some units GAO interviewed indicated that they experienced periods of underutilization, while other similar units turned down operations for lack of available personnel. For example, an official at one unit described efforts to increase the number of operations carried out by the unit, with officials describing outreach efforts to other Coast Guard units to encourage those units to call on them for specialized assistance. In contrast, officials from a different Specialized Forces unit described instances where they had to decline operations because they did not have enough personnel to meet the demand.

GAO identified some overlap among the capabilities of the different Specialized Forces units and the Coast Guard missions they support. For example, the primary and secondary missions of the Maritime Safety and Security Team and the Port Security Unit overlap in that both are involved in defense readiness; search and rescue; and ports, waterways, and coastal security.

These units have operational differences, but there may be benefits to assessing when to use one in place of the other, such as when one unit can be deployed more rapidly, or is located in close proximity to another unit. For example, Port Security Units generally have a deployment preparation cycle of at least 24 months and up to 48 months, resulting in two of the eight units deployed and six in the preparation cycle at any given time. Other units maintain various states of readiness and may be better positioned for immediate deployment.

In November 2019, GAO recommended that the Coast Guard assess the extent to which unnecessary and potentially inefficient overlap or duplication exists among Deployable Specialized Forces' capabilities. The Coast Guard, through the Department of Homeland Security (DHS), did not agree with the recommendation. DHS stated that when the priority of the missions, capabilities, and subsequent geographic operating areas are appropriately considered for each type of unit, unnecessary overlap or duplication does not exist among units' capabilities.

GAO maintains that overlapping capabilities among units could indicate inefficiencies in how units are used, such as excess capacity in some

areas, including geographic areas and missed opportunities for use in others. The Coast Guard categorizes Specialized Forces missions, such as drug interdiction or defense readiness, as primary, secondary, or collateral, and assigns different levels of capabilities according to these categories. GAO found that multiple Specialized Forces are used to support the same Coast Guard missions, which often require similar capabilities from the units, such as the ability to perform enhanced law enforcement boardings. GAO noted in its report that the Coast Guard has not conducted the analyses necessary to fully identify potential overlap amongst units' capabilities and the extent to which opportunities may exist to use the units more efficiently.

Elimination of even one of the Coast Guard's eight Port Security Units could save about a million dollars annually. According to Coast Guard officials, each Port Security Unit costs around \$1 million a year to operate when not deployed. Because the exact amount of savings would depend on the outcomes of those analyses and cost data are not available for making estimates, GAO cannot precisely estimate the value of potential savings. Given that there are certain instances where units appear to be substitutable, assessing the extent to which units could be better leveraged could help the Coast Guard more efficiently manage its resources.

Table 31 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Coast Guard, through DHS, for review and comment. The Coast Guard, through DHS, provided technical comments, which GAO incorporated as appropriate.

The Coast Guard did not agree with the recommendation in its November 2019 response to GAO's draft report. At that time, DHS further stated that GAO's conclusions illustrate a fundamental misunderstanding of the corresponding missions of Specialized Forces units. GAO continues to maintain that overlapping capabilities among units could indicate inefficiencies in how units are used as well as missed opportunities for use in others.

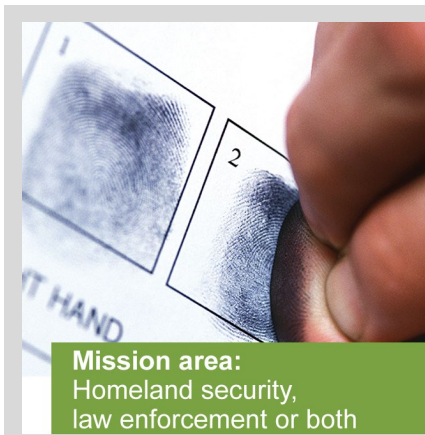
In its technical comments provided in March 2020, the Coast Guard indicated that as of February 2020 it had not conducted the analysis necessary to fully identify potential overlap among the units. The Coast Guard stated that it is planning to begin analyzing the units this fiscal year. In line with GAO's recommendation to analyze potential overlap in capabilities, the Coast Guard should include the cost savings of shutting down a unit from each Specialized Force type and explain the impacts.

Related GAO Product

Coast Guard: Assessing Deployable Specialized Forces' Workforce Needs Could Improve Efficiency and Reduce Potential Overlap or Gaps in Capabilities. [GAO-20-33](#). Washington, D.C.: November 21, 2019.

13. DHS's Processes for Apprehended Families

The Department of Homeland Security should take steps to address fragmented processes for identifying, collecting, documenting, and sharing information about noncitizen family members apprehended at the southwest border.



Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Better coordination and increased oversight and management

Implementing Entity

Department of Homeland Security

Link to Actions

GAO identified four actions to DHS to address fragmentation in DHS's processes for apprehended families at the southwest border. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-274](#)

Contact Information

Rebecca Gambler at (202) 512-8777 or GamblerR@gao.gov

The Department of Homeland Security's (DHS) U.S. Customs and Border Protection (CBP) apprehends noncitizens at or between U.S. ports of entry and determines how information about each apprehended individual—and his or her relationship to other apprehended family members—will be collected and documented. Other DHS components, such as U.S. Immigration and Customs Enforcement (ICE), use the information CBP collects to inform how family members, including children, will proceed through immigration proceedings.

In addition, U.S. Citizenship and Immigration Services (USCIS) uses the information CBP collects for what is referred to as credible fear screenings when family members in expedited removal proceedings indicate an intention to apply for asylum, a fear of persecution or torture, or a fear of return to their home country. Federal immigration law does not specifically define the term “family” for the purposes of identifying family relationships that are to be documented at apprehension. DHS components and other federal agencies use the term “family” for individuals with a variety of relationships such as step-, half-, foster, or adoptive family members.

In February 2020, GAO found that each DHS component identified, collected, and documented information about family members apprehended together to meet its own operational needs, but did not consider the collective information needs of other components. As a result, GAO reported that DHS's processes to identify, collect, document, and share information about family members apprehended at the southwest border were fragmented. Because of these fragmented processes, the department risks removing individuals from the United States who may have been eligible for relief from removal or protection based on their family relationship.

For example, CBP collects information about certain family members for its operational purposes, but does not collect and document information at the time of apprehension that other DHS components may later need. More specifically, CBP officials told GAO they did not generally identify (1) spouses, or (2) children ages 18 to 21 and their parents as family members, or document the relationships between such family members. However, consistent with regulation, it was USCIS policy to include such dependents on a principal applicant's positive credible fear determination if the dependent wanted to be included. According to USCIS and ICE officials, it could be difficult to locate dependent spouses and children ages 18 to 21 because CBP did not regularly document such family

members. GAO also found that DHS processes for sharing information about apprehended family members were fragmented. Specifically, DHS did not have a mechanism to link the records of family members apprehended together across its components.

GAO made four recommendations, including that DHS (1) identify the information about family members apprehended together that its components collectively need and communicate that information to its components; (2) ensure that CBP collects the information about family members that components collectively need; and (3) documents that information; and (4) evaluate options for developing a unique identifier shared across components' data systems to link family members apprehended together. DHS agreed with these recommendations and identified specific actions to address them.

DHS stated that its Office of Immigration Statistics will work with CBP, ICE, USCIS, and interagency partners to establish a comprehensive set of information to collect on family members apprehended at the border. Further, DHS stated that CBP will subsequently work with relevant offices to ensure all required information is collected at the time of apprehension. In addition, CBP will issue guidance to its agents and officers to ensure they document the information about family members apprehended together that DHS components collectively need. Lastly, DHS stated that its Office of Strategy, Policy and Plans will work with CBP, ICE, and USCIS to develop a unique shared identifier linking family members apprehended together.

Table 32 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

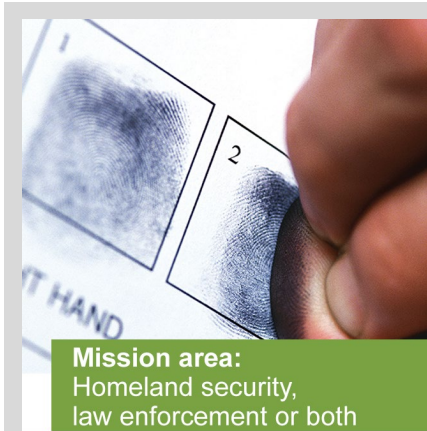
GAO provided a draft of this report section to DHS for review and comment. DHS provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Southwest Border: Actions Needed to Address Fragmentation in DHS's Processes for Apprehended Family Members. [GAO-20-274](#). Washington, D.C.: Feb. 19, 2020.

14. National Strategy for Transportation Security

The Department of Homeland Security should communicate how the National Strategy for Transportation Security aligns with other governance documents to guide federal transportation security efforts and help avoid potential overlapping strategies.



Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Prevent terrorist attacks against the nation's transportation systems

Implementing Entity

Department of Homeland Security

Link to Actions

GAO identified one action for DHS to communicate to key stakeholders how the National Strategy for Transportation Security aligns with related strategies. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-88](#)

Contact Information

William Russell at (202) 512-8777 or russellw@gao.gov

In recent years, the nation's transportation systems facilitated over 5 trillion miles of passenger travel annually while moving approximately 17 billion tons of cargo. The scale and scope of these systems make them targets for terrorist attacks.

Following the terrorist attacks of September 11, 2001, and recognizing vulnerabilities in the nation's transportation systems, Congress directed the Department of Homeland Security (DHS), through legislation, to create the National Strategy for Transportation Security to serve as the governing document for federal transportation security efforts. Within DHS, responsibility for such strategic planning across all modes of transportation had been delegated by the Secretary of Homeland Security in May 2003 to the Transportation Security Administration (TSA). The 2018 national strategy, the most recent issuance of the biennial national strategy, aims to identify and evaluate U.S. transportation assets that must be protected from attack or disruption by terrorist or other hostile forces.

In November 2019, GAO found that transportation officials in DHS and the Department of Transportation (DOT) generally did not use the national strategy to guide their efforts and had disparate views about their respective functional roles given overlapping strategic documents. In the absence of clear communication, transportation security stakeholders may continue to miss opportunities to use the national strategy as part of a whole-of-government approach to preventing terrorist attacks.

DHS and DOT officials rely instead on agency- or mode-specific documents that they stated overlap with the national strategy. Specifically, the national strategy exists among more than a dozen other national-level strategic documents pertaining to transportation security. The national strategy's unclear role among agency- or mode-specific documents and numerous related strategies has clouded its value in guiding federal efforts.

GAO recommended that DHS, in consultation with DOT, communicate to key stakeholders how the national strategy aligns with related strategies to guide federal efforts as it develops future iterations of the national strategy. DHS concurred with the recommendation and stated that the 2020 national strategy will elevate alignment language from the 2018 national strategy appendixes and better explain how the national strategy relates to newly issued strategies.

As of February 2020, TSA had completed the final draft of the 2020 national strategy, according to agency officials. In addition, TSA officials said they had provided briefings to Surface Regional Security Directors to inform them how the national strategy affects field surface operations. Further, officials stated that the risk-based priorities in the national strategy are also being used to inform a report TSA must submit in accordance with section 1986 of the FAA Reauthorization Act of 2018. In general, that section requires TSA to develop risk-based priorities based on risk assessments conducted or received by the DHS Secretary across all transportation modes. GAO believes these are good first steps and will continue to monitor the implementation of this recommendation.

Further communication about related strategies will better manage potential overlap among strategies by providing better direction for key stakeholders on how to use the national strategy in relation to other strategies.

Table 33 in appendix VI provides additional program related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DHS for review and comment. TSA provided technical comments, which GAO incorporated as appropriate.

Related GAO Product

Transportation Security: DHS Should Communicate the National Strategy's Alignment with Related Strategies to Guide Federal Efforts. [GAO-20-88](#). Washington, D.C.: November 19, 2019.

15. Surface Transportation Security Training

The Transportation Security Administration should improve the planning and implementation of its security training and exercise program to address its fragmented coordination procedures.



Mission area:
Homeland security,
law enforcement or both

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

More effective coordination

Implementing Entity

Transportation Security Administration

Link to Actions

GAO identified one action for TSA to improve coordination procedures for its security training program. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-185](#)

Contact Information

Triana McNeil at (202) 512-8777 or McNeilT@gao.gov

The global terrorist threat to surface transportation—freight and passenger rail, mass transit, highway, maritime and pipeline systems—has increased in recent years. For example, recent thwarted attacks on mass transit occurred in New Jersey in 2016 and vehicle attacks occurred in London in 2017.

The Transportation Security Administration (TSA) is the primary federal agency responsible for securing surface transportation in the United States. TSA provides guidance and encourages voluntary implementation of security best practices to surface transportation entities and relies on cooperation from system operators and local, state, and federal security partners. Specifically, TSA engages with system operators and governmental security partners through its voluntary security training and exercise program to enhance surface transportation security.

In November 2019, GAO reported on coordination between relevant entities within TSA in planning and implementing its voluntary security training and exercise program. GAO found that TSA's guidance for this program did not fully identify coordination roles and responsibilities for offices outside of the Policy Plans and Engagement Office—the office with primary responsibility for the program.

For example, the Intelligence and Analysis Office has provided intelligence briefings that give background context for program exercises. However, officials from TSA's Intelligence and Analysis Office explained that while they have supported exercise planning in the past, policy does not define their role or set expected time frames for providing information for intelligence briefings. As a result, they do not regularly participate because they are not consistently invited to attend the security training and exercise program planning meetings.

GAO recommended that TSA clarify roles and responsibilities for all offices involved in the coordination of surface transportation exercises, including when these offices are to coordinate. The Department of Homeland Security agreed with the recommendation and said its Program Policy and Engagement Office will develop a standard operating procedure to clarify the roles and responsibilities for all offices involved in the coordination of surface transportation exercises.

In the absence of a policy that clearly defines how all current offices should coordinate, the Policy Plans and Engagement office may be missing consistent input and important information from relevant offices across TSA.

Table 34 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DHS for review and comment. DHS officials said DHS has taken initial actions to address GAO's recommendation, including updating the related Standard Operating Procedure. GAO believes this is a good first step and will continue to monitor the implementation of this recommendation.

Related GAO Product

Surface Transportation: TSA Should Improve Coordination Procedures for Its Security Training Program. [GAO-20-185](#). Washington, D.C.: November 20, 2019.

16. U.S. Assistance to Central America

To address fragmentation of U.S. assistance activities in El Salvador, Guatemala, and Honduras, the Department of State should establish a comprehensive approach to monitoring and evaluating projects that support the objectives of prosperity, governance, and security in those countries.



Source: Creatas. | GAO-20-440SP

Potential Benefit

Increased effectiveness of U.S. assistance

Implementing Entity

Department of State

Link to Actions

GAO identified one action to State to collaborate with DOD and USDA to develop a comprehensive approach to monitoring and evaluating projects that support Strategy objectives. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-590](#)

Contact Information

Chelsa Gurkin at (202) 512-2964 or gurkinc@gao.gov

The countries of the Northern Triangle of Central America—El Salvador, Guatemala, and Honduras—have struggled with poverty, weak governance, and insecurity. The U.S. government has provided assistance as far back as 2008 to the Northern Triangle to address these challenges. Introduced in 2014, and updated in 2017, the *U.S. Strategy for Engagement in Central America* (Strategy) is the latest U.S. government initiative in the region and builds on prior assistance goals.

The Strategy seeks to take a comprehensive, integrated, and whole-of-government approach to promote three objectives: prosperity, governance, and security. From fiscal years 2013 through 2018, the U.S. Agency for International Development (USAID), and the Departments of State (State), Defense (DOD), and Agriculture (USDA) allocated \$2.4 billion to implement about 370 projects to support these objectives in the Northern Triangle. State coordinates implementation of the Strategy's objectives among U.S. government agencies, including by chairing interagency meetings and gathering information from implementing agencies for reporting on progress and challenges.

GAO has reported that developing a monitoring and evaluation plan is key to assessing agencies' common goals and mutually reinforcing results. Additionally, GAO found that foreign assistance involves the collaborative efforts of multiple agencies. Strategies that consistently address agencies' roles and responsibilities and include interagency coordination mechanisms can guide effective collaboration among agencies and prevent fragmentation.

In response to directives contained in congressional committee reports, and in coordination with USAID, State has developed and updated a monitoring and evaluation plan for funds appropriated to it to implement the Strategy. While consistent with the directives, the plan does not incorporate all relevant agencies, sectors, and activities that support the Strategy's objectives. For example, it does not discuss how projects conducted by agencies other than State and USAID, such as DOD and USDA will be evaluated. The plan also does not discuss how State, in its coordinating role for implementation of the Strategy, will track completed, ongoing, and planned evaluations of projects conducted by agencies other than State or USAID, such as DOD and USDA.

In addition, the plan notes that each agency requires its own project monitoring, including tracking progress indicators, baselines, targets, and expected project outcomes. The plan indicates that State will compile and

report performance data, which provides important information to assess progress toward Strategy objectives. However, the plan does not specify how State and USAID would incorporate reporting on many activities conducted by other agencies that support the Strategy's objectives.

DOD and USDA allocated 19 percent of the \$2.4 billion to implement 8 percent of the 370 projects supporting the Strategy's objectives. The agencies have collected results information for some of their projects. By not capturing information on DOD and USDA activities, State and USAID have limited ability to assess the progress made by U.S. government assistance in the Northern Triangle.

GAO recommended that State—in its coordinating role in the Strategy's implementation—work with USAID to collaborate with DOD, USDA, and other departments as appropriate to develop a comprehensive approach to monitoring and evaluating progress across all agencies that support the Strategy's objectives, and incorporate this approach into the Strategy monitoring and evaluation plan to address fragmentation.

In commenting on a draft of the report, State did not concur with the recommendation, indicating that it did not have the authority to direct DOD or USDA to design and implement programs and that it is not required to include in the plan monitoring and evaluation of programs funded by appropriations to DOD and USDA. In its response to State's comments, GAO noted that it did not recommend that State direct action by other agencies, but revised its recommendation to make this clearer. GAO maintains that State, in its coordinating role in the Strategy's implementation, has the authority to collaborate with other agencies whose activities support the Strategy's goals, and that such collaboration would help State and USAID determine whether U.S. government activities in the Northern Triangle are achieving the desired results.

Table 35 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to State for review and comment. In its February 2020 response, State did not comment specifically on whether it agreed with GAO's revised recommendation. However, it reiterated its disagreement with aspects of the underlying GAO report's objectives, scope, and methodology. GAO addressed this disagreement in detail in its report and maintains that GAO's approach provided a reliable and reasonably comprehensive review of the results of U.S. assistance to the Northern Triangle toward achieving key U.S. objectives set forth in the Strategy.

Related GAO Product

U.S. Assistance to Central America: Department of State Should Establish a Comprehensive Plan to Assess Progress toward Prosperity, Governance, and Security. [GAO-19-590](#). Washington, D.C.: September 26, 2019.

17. Public Access to Federally Funded Research Results

Agencies could increase public access to federally funded research results and manage fragmentation by implementing leading collaboration practices.



Mission area:
Science and the environment

Source: Brand X Pictures. | GAO-20-440SP

Potential Benefit

Increase public access to the results of federally funded research

Implementing Entity

- Office of Science and Technology Policy
- Department of Energy
- Department of Defense
- National Institutes of Health
- National Science Foundation
- National Oceanic and Atmospheric Administration

Link to Actions

GAO identified six actions to increase public access to the results of federally funded research. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-81](#)

Contact Information

John Neumann at (202) 512-6888 or neumannj@gao.gov

Research and development expenditures by the federal government help catalyze scientific and technological breakthroughs that benefit our economy, strengthen our national security, and improve the overall health and well-being of our society. Federal research and development expenditures averaged about \$135 billion annually for fiscal years 2015 to 2017. According to the Office of Science and Technology Policy (OSTP), providing free public access to federally funded research results can improve the impact and accountability of this federal investment.

In February 2013, OSTP issued a memorandum directing federal agencies with more than \$100 million in annual research and development expenditures to develop a plan to support increased public access to the results of federally funded research (i.e., peer-reviewed publications and data). Each agency's plan must contain certain elements, such as options for developing and sustaining repositories for scientific data in digital formats, taking into account the efforts of public and private sector entities. In November 2019, GAO reported on 19 agencies' efforts to develop and implement public access plans.

GAO found that federal efforts to implement public access plans are fragmented because agencies have separate research and development activities, and because agencies do not have common standards in certain areas related to public access plan implementation. Agency officials said they use several mechanisms to coordinate on public access issues, most notably the National Science and Technology Council's (NSTC) Subcommittee on Open Science. Some agency officials, however, said the subcommittee has not taken certain steps that could improve coordination on public access. For example, some officials said they are waiting for machine readability standards from the subcommittee before developing requirements or guidance (machine readability facilitates access to research through easier downloading and processing, according to officials.) Some agency officials said that without agreement on common standards, agencies may be unsure which standards to follow or may institute varying requirements for researchers.

The subcommittee is co-chaired by OSTP, the National Institutes of Health, the National Science Foundation, the Departments of Defense and Energy, and the National Oceanic and Atmospheric Administration. The co-chairs have taken steps to work with the other participating agencies to outline priorities and areas of focus, and to establish workgroups to identify and share best practices. However, GAO found the subcommittee has not fully implemented relevant leading collaboration practices, such as defining and articulating common outcomes. Agencies

reported challenges to implementing public access plans, some of which align with topics officials reported coordinating through the subcommittee. According to OSTP staff and documents, the subcommittee is operating consistent with processes and procedures of other NSTC subcommittees. The staff declined to share certain details of the subcommittee's work so far because they considered it deliberative.

GAO recommended that the co-chairs of the Subcommittee on Open Science, in coordination with each other and participating agencies, take steps to fully implement selected leading practices to enhance and sustain collaboration. Of the six agencies, five agreed with the recommendations and generally reiterated their commitment to working with other agencies through the subcommittee.

OSTP disagreed with the recommendation, stating that the subcommittee had already taken steps to implement the leading practices identified. However, OSTP officials did not provide documentation of these efforts and GAO continues to believe the recommendation is warranted.

In March 2020, OSTP informed GAO of steps the subcommittee has taken to address issues associated with public access to federally funded research results, such as issuing a request for public comment on characteristics of repositories for managing and sharing data. GAO will review OSTP's actions and other information as necessary to determine the extent that OSTP's actions respond to GAO's recommendation to incorporate leading practices for interagency collaboration.

As the primary mechanism officials identified for coordinating agencies' public access efforts, the Subcommittee on Open Science is well positioned to help manage fragmentation and enhance coordination on these efforts. By taking steps to fully implement relevant leading collaboration practices, the subcommittee and its member agencies could better marshal their collective efforts to address common challenges to public access plan implementation.

Table 36 in appendix VI provides additional information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Defense, Energy, and the Departments of Commerce (for the National Oceanic and Atmospheric Administration) and Health and Human Services (for the National Institutes of Health), as well as the National Science Foundation and OSTP for review and comment. The National Institutes of Health and the National Science Foundation provided technical comments, which GAO incorporated as appropriate. OSTP said it had no further comments, and the National Oceanic and Atmospheric Administration, Defense, and Energy did not provide comments.

Related GAO Product

Federal Research: Additional Actions Needed to Improve Public Access to Research Results. [GAO-20-81](#). Washington, D.C.: November 21, 2019.

18. USDA's Nutrition Education Efforts

The U.S. Department of Agriculture should develop a formal mechanism for better coordinating fragmented nutrition education efforts across the department to maximize program reach and impact and avoid potential duplication of effort.



Mission area:
Training, employment,
and education

Source: GAO. | GAO-20-440SP

Potential Benefit

Maximize program reach and impact and avoid potential duplication of effort

Implementing Entity

U.S. Department of Agriculture

Link to Actions

GAO identified one action for USDA. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-572](#)

Contact Information

Kathryn Larin at (202) 512-7215 or larink@gao.gov

Poor nutrition contributes to costly chronic diseases that are among the leading causes of death for Americans, according to the Centers for Disease Control and Prevention. The U.S. Department of Agriculture (USDA) oversees nutrition assistance and administers a variety of nutrition education efforts, fragmented across several programs that aim to educate Americans on nutrition and improve their dietary choices. For example, USDA provided about \$424 million in Supplemental Nutrition Assistance Program Education federal grants to states in fiscal year 2019 to improve the likelihood that those eligible for the Supplemental Nutrition Assistance Program will make healthy food and physical activity choices. In addition, USDA's Expanded Food and Nutrition Education Program, with \$69 million in fiscal year 2019 obligations, provides nutrition education through land-grant universities using paraprofessional peer educators. USDA also develops dietary guidance and conducts and compiles nutrition-related research and information for the general public.

Most of USDA's nutrition education programs target interventions to low-income populations, and multiple programs sometimes operate in the same setting, such as a school. However, USDA does not have a formal coordination mechanism for these efforts. According to USDA officials, coordinating nutrition education efforts has not been a priority in recent years. In addition, although nutrition staff are integrated into USDA program areas, the department does not have a dedicated individual or entity with leadership responsibility for nutrition education. These conditions have resulted in limited coordination across USDA's nutrition education programs.

In July 2019, GAO recommended that USDA develop a formal mechanism, such as a designated individual or group of individuals, for providing cross-department leadership for USDA's nutrition education efforts and facilitating cross-program information sharing. USDA agreed with GAO's recommendation. As of March 2020, USDA officials described initial actions that USDA is taking to implement this recommendation.

In the absence of effective coordination to manage fragmentation, USDA's nutrition education programs are missing opportunities to share information, maximize program reach and impact, and avoid potential duplication. For example, different programs within USDA target nutrition education to overlapping populations and program grantees may independently develop nutrition education materials that are duplicative. Developing a formal mechanism for coordinating its nutrition education efforts, as GAO recommended, would help avoid such potential duplication.

Table 37 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to USDA for review and comment. USDA officials took issue with the characterization of their nutrition education efforts as fragmented, stating that coordination must consider the legislative authority each program has to deliver nutrition education to meet the needs of program target populations and audiences. GAO agrees that a consideration of each program's legislative authority is important. However, GAO believes that USDA could address the fragmentation GAO identified, which refers to the involvement of multiple USDA agencies and programs in administering the department's nutrition education efforts, consistent with a consideration of program authority.

USDA officials continue to agree that the department needs to improve coordination of its nutrition education efforts. USDA officials described initial actions the department has taken to address GAO's recommendation, including establishing a nutrition education working group that represents agencies across the department and planning an intradepartmental workshop that will include a focus on nutrition education. In addition, USDA issued the USDA Science Blueprint to outline the department's nutrition science implementation strategies and nutrition and health promotion objectives.

GAO will continue to monitor implementation of this recommendation. Further, GAO will monitor the role of the nutrition education working group going forward and consider the extent to which it provides cross-department leadership for USDA's nutrition education efforts.

Related GAO Product

Nutrition Education: USDA Actions Needed to Assess Effectiveness, Coordinate Programs, and Leverage Expertise. [GAO-19-572](#). Washington, D.C.: July 25, 2019.

Appendix III: New Areas in Which GAO Has Identified Other Cost Savings or Revenue Enhancement Opportunities

This appendix summarizes 11 new areas for Congress or executive branch agencies to consider taking action that could either reduce the cost of government operations or enhance revenue collections for the Treasury.

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19. Defense Agencies and DOD Field Activities Reform

By improving its guidance and documentation of efficiency initiatives, the Department of Defense could help ensure the department achieves desired cost savings across its business functions.



Mission area:
Defense

Source: Department of Defense/Helene C. Stikkel. | GAO-20-440SP

Potential Benefit

Help ensure that cost savings in business functions are achieved

Implementing Entity

Department of Defense

Link to Actions

GAO identified two actions for DOD to improve cost savings initiatives. DOD implemented one action by developing guidance for the DAFAs. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-18-592](#)

Contact Information

Elizabeth Field at (202) 512-2775 or fielde1@gao.gov

The Department of Defense (DOD) spends billions of dollars each year to maintain the business functions designed to support the warfighter, such as managing finances, information systems, and contracts. Its defense agencies and DOD field activities (DAFA), which are meant to provide a common supply or service on a department-wide basis, play a critical role in supporting these functions. DOD's approach to transforming its business operations is among the areas GAO has identified on its High-Risk List.

In September 2018, GAO found that DOD had not comprehensively or routinely assessed the continuing need for its DAFAs, nor had it developed internal guidance to do so. DOD is statutorily required to review and ensure that there is a continuing need for each DAFA and that the provision of services by each DAFA, rather than by the military departments, is more effective, economical, or efficient (section 192(c) of title 10, United States Code).

GAO recommended developing guidance that provides clear direction for reviews of the DAFAs. In August 2019, DOD issued guidance with key elements of quality evaluation, such as ensuring results of the review are relevant to leadership stakeholders. This guidance will help support the department's efforts to conduct high-quality reviews based on reliable data and identify and achieve cost savings. GAO cannot estimate the magnitude of potential savings associated with these reviews because such savings would depend on the specific initiatives identified.

While DOD undertook initiatives intended to improve efficiency and identify savings across its organizations, including the DAFAs, DOD did not consistently document baselines from which to measure progress, monitor progress, or evaluate results. For example, DOD did not evaluate whether a prior efficiency initiative (called the Core Business Process Review) achieved any of its intended savings or led to expected efficiencies. According to *Standards for Internal Control in the Federal Government*, agencies should monitor and evaluate the quality of performance over time, including through the use of an established baseline from which to measure progress.

GAO recommended in September 2018 that DOD comprehensively evaluate efficiency initiatives. DOD concurred with the recommendation. In its fiscal year 2020 budget materials released in March 2019, DOD stated it expected to save \$2.6 billion in fiscal year 2020 as a result of its business process and system reforms, some of which affect the DAFAs. However, while DOD told GAO these savings have been validated by DOD officials, it did not provide the underlying support to allow GAO to

independently validate the savings. In October 2019, DOD reported that it was targeting savings that total an additional \$690 million in fiscal year 2020 for certain activities managed by DAFAs. DOD provided additional details for some of those savings in a December 2019 report. GAO has an ongoing review of the baseline costs and projected fiscal year 2020 cost savings identified in that report and an additional \$9.3 billion in savings identified in its fiscal year 2021 budget materials.

DOD could potentially determine whether its efforts have achieved desired outcomes by implementing GAO's other recommendation. Routine and comprehensive monitoring and evaluation of efficiency initiatives would allow DOD to ensure its efforts have achieved desired outcomes, are saving resources, and are improving effectiveness.

Table 38 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. DOD commented that the department will continue to work on improving its monitoring and evaluation of its efficiency and reform initiatives.

Related GAO Product

DOD Needs to Address Inefficiencies and Implement Reform across Its Defense Agencies and DOD Field Activities. [GAO-18-592](#). Washington, D.C.: September 6, 2018.

20. DOD Maintenance Depot Funding

The Department of Defense could potentially save **hundreds of millions of dollars annually** by accurately measuring and reducing excess funded, unfinished work at military depots.



Mission area:
Defense

Source: Department of Defense/Helene C. Stikkel. | GAO-20-440SP

Potential Benefit

Hundreds of millions of dollars annually

Implementing Entity

Department of Defense

Link to Actions

GAO identified one action for DOD to adopt a metric that provides quality information on funded, unfinished work at DOD maintenance depots. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-452](#)

Contact Information

Diana Maurer at (202) 512-9627 or maurerd@gao.gov

Asif Khan at (202) 512-9869 or khana@gao.gov

Each year, the Department of Defense (DOD) orders billions of dollars of work from maintenance depots that cannot be completed by the end of the fiscal year, such as the repair and overhaul of combat vehicles and air defense systems. DOD refers to this funded but unfinished work as carryover. Some carryover is acceptable to facilitate a smooth flow of work from one fiscal year to the next, but according to DOD, more than 6 months of carryover may reflect an inefficient use of resources. The military services' depots averaged 5 to 10 months of carryover, depending on the military service, worth an average of \$0.2 billion to \$4.3 billion per year for fiscal years 2007 through 2019.

In July 2019, GAO found that DOD considered three metrics for calculating and determining allowable carryover in its April 2018 report to the House Committee on Armed Services—(1) the current DOD carryover metric, (2) an Office of the Secretary of Defense-proposed carryover metric, and (3) an Army-proposed carryover metric. However, the carryover metrics considered do not fully meet select key attributes—reliability, completeness, consistency, and appropriateness—for providing quality information to decision makers. Until DOD adopts a carryover metric that addresses the attributes for providing quality information, decision makers may not know if the billions of dollars invested for work performed at depots are being used efficiently or might be redirected for other purposes.

Figure 8: Assessment of Key Attributes of Quality Information in the Department of Defense's Current and Proposed Carryover Metrics

Carryover metrics	Does the carryover metrics contribute to quality information that is...			
	reliable?	complete?	consistent?	appropriate?
Current	●	●	○	●
Office of the Secretary of Defense-proposed	●	●	●	●
Army-proposed	○	○	○	○

● Addresses ● Partially addresses ○ Did not address

Source: GAO analysis of Department of Defense data. | GAO-20-440SP

The three metrics measure carryover workload differently, with a variety of depot management implications and different results.

- **Current carryover metric:** It allows some work, such as depot work accepted in the last quarter of the year, to be exempted from

carryover calculations regularly. GAO found these exemptions reduce incentives to improve the effectiveness of depot management.

- **Office of the Secretary of Defense-proposed metric:** It eliminates exemptions and could provide incentives to improve the effectiveness of depot management. However, according to DOD officials, the metric does not represent actual production at the depots in a given fiscal year, and uses an inverse ratio relationship that officials acknowledge could be confusing to decision makers.
- **Army-proposed carryover metric:** It is based on estimates and projections that are subject to inaccuracies and does not include all relevant data needed to assess depot performance costs, such as parts and materials. In addition, this metric is not likely to provide an incentive to improve depot management.

GAO recommended that DOD develop and adopt a depot maintenance carryover metric that provides reliable, complete, consistent, and appropriate information. DOD concurred, stating that it will modify carryover calculations and develop a new budgetary exhibit related to carryover to coincide with the Fiscal Year 2022 Budget Estimate submission.

GAO's recommendation will facilitate the identification of excessive carryover. For example, for fiscal years 2007 through fiscal year 2019, the Army had carryover in excess of 6 months' worth ranging from a low of \$665 million in fiscal year 2008 to as high as \$3 billion in fiscal year 2011. If DOD takes action to implement GAO's recommendation and limits carryover to 6 months or less it may lead to savings of hundreds of millions of dollars annually. Specifically, reducing excessive carryover means the services could obligate fewer funds for depot maintenance work that cannot be completed before the fiscal year ends, and instead redirect those funds for other priorities.

Table 39 in appendix VI provides program and related budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this section to the DOD for review and comment. DOD did not provide comments on this report section.

Related GAO Product

Depot Maintenance: DOD Should Adopt a Metric That Provides Quality Information on Funded Unfinished Work. [GAO-19-452](#). Washington, D.C.: July 26, 2019.

21. Ginnie Mae's Mortgage-Backed Securities Program

The Government National Mortgage Association could enhance the efficiency and effectiveness of its operations and risk management and reduce costs or enhance federal revenue by **tens of millions of dollars annually**.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Tens of millions of dollars annually

Implementing Entity

Congress and Government National Mortgage Association

Link to Actions

GAO identified two matters for Congress and three actions for Ginnie Mae to enhance its operations and risk management. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-191](#)

Contact Information

John Pendleton at (202) 512-8678 or pendletonj@gao.gov

The Government National Mortgage Association (Ginnie Mae) supports federal housing initiatives by increasing liquidity in the mortgage-backed securities market. It guarantees the timely payment of principal and interest on mortgage-backed securities issued primarily by financial institutions (issuers) and backed by pools of federally insured or guaranteed mortgages. The amount of mortgage-backed securities Ginnie Mae guaranteed rose from \$500 billion to \$2 trillion in fiscal years 2007–2018—exposing it and U.S. taxpayers to a greater risk of loss.

In 2019, GAO found that Ginnie Mae faced operational and risk-management challenges. First, Ginnie Mae relies more heavily on contractors than in-house staff because of its funding authority. It spent about \$2.7 billion on contracts in fiscal years 2008–2018. But Ginnie Mae has not routinely analyzed if using in-house staff instead of contractors for certain functions would be more efficient. GAO suggested that Congress consider requiring Ginnie Mae to evaluate its reliance on contractors for potential cost savings and report to Congress. GAO recommended that Ginnie Mae analyze the costs of using contractors and develop a plan to determine its optimal mix of contractors and in-house staff.

Second, since 2014, Ginnie Mae has used the General Services Administration (GSA) to administer its contracts because the Department of Housing and Urban Development (HUD) was unable to support its contracting needs. Fees for GSA-administered contracts cost Ginnie Mae about \$6.1 million in 2018. Ginnie Mae has not re-evaluated whether its use of GSA is the most efficient or effective option, such as in comparison to using HUD. GAO recommended that Ginnie Mae evaluate its contract administration options to determine the most efficient and effective use of funds.

Third, Ginnie Mae faces a risk management challenge because of its limited flexibility under current law to raise the fee it charges issuers to guarantee their single-family mortgage-backed securities. From 2011 to 2018, Ginnie Mae's issuer base shifted from banks to nonbanks. Unlike banks, nonbanks are not consistently subject to comprehensive federal safety and soundness standards. This and other changes may expose Ginnie Mae to greater risk, but Ginnie Mae has not assessed if the current fee would provide it with sufficient capital reserves to withstand losses under various scenarios. GAO suggested that Congress consider requiring Ginnie Mae to evaluate the adequacy of its mortgage-backed securities guaranty fee and report to Congress. GAO also recommended that Ginnie Mae analyze (including through stress tests) whether its fee

provides sufficient reserves to cover potential losses under different economic scenarios.

Implementation of the recommendations, with which Ginnie Mae agreed, could enhance Ginnie Mae's operations and risk management and save or enhance federal revenue by tens of millions of dollars annually. Contractor analysis could help inform Congress and Ginnie Mae about any need for greater budget flexibility to achieve the optimal staffing mix. Similarly, contract administration analysis could help Ginnie Mae better understand its costs and inform future contract decisions. Finally, guaranty fee analysis would help ensure the fee is set appropriately and inform Congress if Ginnie Mae needs more flexibility to adjust the fee. As of February 2020, Ginnie Mae had not fully implemented the recommendations.

The amount of potential savings or revenue enhancement depends on the actions Congress takes and the results of Ginnie Mae's evaluations. For example, if Congress authorized Ginnie Mae to raise its fee and Ginnie Mae raised the fee by one basis point (0.01 percent), it could have generated nearly \$50 million in additional fee revenue in 2019.

Table 40 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Ginnie Mae for review and comment. Ginnie Mae did not have any comments on the draft but noted that it is working diligently on the recommendations.

Related GAO Product

Ginnie Mae: Risk Management and Staffing-Related Challenges Need to Be Addressed. [GAO-19-191](#). Washington, D.C.: April 3, 2019.

22. IRS Tax Debt Collection Contracts

The Internal Revenue Service could potentially collect **millions of dollars** in additional revenue and save federal costs by analyzing tax debt cases to make better decisions on the types of cases it assigns to contracted private collection agencies.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Millions of dollars in additional tax revenue and saved program costs

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified three actions for IRS to take to improve objectives, its links to risks and measures, and analyze data to assign cases to contracted private collection agencies. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-193](#)

Contact Information

Jessica Lucas-Judy at (202) 512-9110 or lucasjudyj@gao.gov

The Internal Revenue Service (IRS) estimated that taxpayers had \$369 billion in tax debts as of fiscal year 2019, of which IRS considered 39 percent, or \$144 billion, to be collectible. However, IRS does not have resources to pursue all potentially collectible tax debts. As a result, IRS treats some debts as “inactive” by not actively pursuing them. In April 2017, IRS began assigning certain types of inactive tax debt cases to contracted private collection agencies through its private debt collection (PDC) program, as required by law (section 6306(c) of the Internal Revenue Code). Stakeholders, including the National Taxpayer Advocate, have raised concerns about potential high PDC program costs compared to tax revenue collections. IRS abandoned two similar programs in the past, mostly due to high costs of the programs compared to the amounts of debts they collected.

In March 2019, GAO reported that IRS established objectives and proposed measures for the PDC program but did not finalize them to address risks and assess results. Although IRS officials acknowledged that collection costs compared to amounts actually collected was a program risk, none of its objectives or proposed measures addressed that issue. Further, although most cases collection agencies closed had little or no revenue collected—collections from April 2017 to September 2018 were about 1.6 percent of total debts assigned—IRS had not analyzed program results and other types of inactive cases to make better decisions on the types of cases it assigns to collection agencies.

Actions to improve PDC program management could result in millions of dollars of additional revenue or potential savings. Specifically, IRS estimates that the PDC program will collect about \$229 million in revenue in fiscal years 2019-2020. Selecting better cases could increase the potential collection amount. GAO estimated that improving collections by 1 percent could increase revenues by over \$2 million for the next 2 years.

Additionally, some of the millions of dollars in PDC program costs are potentially avoidable. For example, IRS assigned inactive cases with debts that could not be collected to private collection agencies because the taxpayer had limited resources or ability to pay, among other reasons. In fiscal year 2018, collections were less than 2 percent (\$82.2 million) of the over \$4.5 billion in debts assigned to collection agencies that year.

GAO recommended that IRS (1) finalize PDC program objectives so that they are defined in consistent terms and assure that the key program risks, measures, and targets are linked with the objectives; (2) analyze PDC program results to identify the types of cases that are not potentially collectible and should not be assigned to collection agencies; and (3)

identify which of its other inactive cases could be assigned to collection agencies to improve program results.

In commenting on the draft report, IRS partially agreed with the first recommendation. In December 2019, IRS provided new objectives linked with proposed measures to assess collection agencies. In February 2020, IRS said it intends to award new contracts in 2021 that will include performance measures linked to program objectives. To fully address GAO's recommendation, IRS also needs to identify targets for measures linked to program objectives.

On the recommendation to identify other inactive cases, IRS agreed and noted that it already had the recommended analyses built into the PDC case identification process. IRS also provided documentation to GAO in December 2019 and its comments in February 2020 repeated its view that its process already identified other inactive cases that have not been assigned to PDC. IRS's documentation during the review and provided in December did not show how IRS analyzes its debt inventory and PDC results to identify inactive cases that are not being assigned to PDC but may be worth pursuing.

IRS disagreed with the recommendation to identify the types of cases that are not potentially collectible. IRS said such analysis is unnecessary due to a legal requirement to assign all such cases to collection agencies and because there is very little cost in doing so. However, GAO's report noted that IRS has the authority and responsibility for efficient program operations to not assign uncollectible debt cases.

In February 2020, IRS said that the assignment and recall of cases add nothing to the cost. GAO disagrees, noting that IRS has not supported this assertion. IRS incurred some portion of its PDC costs from assigning and recalling cases that collected no revenue. Even if these costs are minor, they would be greater than the amount collected. GAO maintains the importance of this recommendation because IRS has incurred tens of millions of dollars in costs with little or no revenue collected for most of the PDC cases that IRS has closed. Without data analyses to guide the types of cases sent to collection agencies, IRS may continue to use resources inefficiently.

Table 41 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. IRS's technical comments were incorporated above.

Related GAO Product

Tax Debt Collection Contracts: IRS Analysis Could Help Improve Program Results and Better Protect Taxpayers. [GAO-19-193](#). Washington, D.C.: March 29, 2019.

23. Virtual Currency Tax Information Reporting

The Internal Revenue Service should increase third-party information reporting on virtual currency transactions to improve tax compliance and potentially increase revenue.



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Additional revenue from increased compliance with tax obligations for virtual currency income

Implementing Entity

Internal Revenue Service

Link to Actions

GAO identified one action for IRS to address underreporting of income from virtual currency transactions. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-188](#)

Contact Information

James R. McTigue, Jr. at (202) 512-9110 or mctiguej@gao.gov

Virtual currencies, such as bitcoin, are digital representations of value and have grown in popularity in recent years. Individuals and businesses use virtual currencies for a variety of purposes, including as investments and to make or accept payments for goods and services. These virtual currencies account for the equivalent of hundreds of millions of dollars or more in daily transactions. The growth of virtual currencies has raised questions about whether taxpayers who use them are fully meeting their tax obligations, and how much this may be contributing to the tax gap—the difference between taxes that are owed and actually paid. In September 2019, the Internal Revenue Service (IRS) estimated an average annual gross tax gap of \$441 billion for tax years 2011 to 2013.

IRS issued guidance on the taxation of virtual currency income in 2014 and 2019. Among other things, the guidance states that virtual currency is treated as property for tax purposes, and that transactions involving virtual currency can produce taxable capital gains (see figure). For example, a taxpayer who purchases and later sells or uses a virtual currency could have a capital gain if the fair market value of the virtual currency is higher at the time of sale than when it was purchased.

Figure 9: Examples of Virtual Currency Transactions That Can Produce Taxable Capital Gains



Source: GAO analysis of Internal Revenue Service guidance. | GAO-20-440SP

IRS has begun enforcement activities to improve virtual currency tax compliance. In 2019, IRS sent out more than 10,000 letters advising taxpayers of tax obligations related to virtual currency income. In addition, IRS's Criminal Investigation Division is analyzing data on virtual currency use to look for potential investigative leads.

Certain entities, known as third parties, must report many types of income to IRS and taxpayers on forms known as information returns. For example, brokers report sales of stocks and other investments on IRS Form 1099-B. This process of information reporting can help taxpayers accurately complete their tax returns and help IRS monitor compliance

with tax laws. Information reporting is generally associated with high levels of compliance.

However, GAO found that IRS does not receive information returns on some potentially taxable transactions involving virtual currency. This is because information reporting requirements are unclear and reporting thresholds limit the number of transactions subject to reporting. For example, tax practitioners reported that it is unclear to them whether current regulations require certain reporting. Further, some information reporting requirements only apply when a customer has more than 200 transactions totaling more than \$20,000 during the tax year.

GAO recommended in February 2020 that IRS take steps to increase third-party information reporting on taxable transactions involving virtual currency. This could include clarifying IRS's interpretation of existing third-party reporting requirements under the Internal Revenue Code and Department of the Treasury (Treasury) regulations. Another step could include pursuing statutory or regulatory changes. In its agency response letter, IRS agreed with this recommendation and stated that IRS and Treasury are working on guidance that will address third-party information reporting and have included this issue in IRS's 2019-2020 Priority Guidance Plan.

Taking steps to increase information reporting on virtual currency income could lead to increased compliance with tax obligations for virtual currency income, enhance IRS's ability to identify noncompliance, and reduce the recordkeeping burden for taxpayers who report virtual currency income. GAO cannot estimate the amount of additional revenue that could be generated through increased information reporting on virtual currency transactions because there are limited data on taxable transactions using virtual currency. However, taking action to increase information reporting could increase tax revenue in an area where IRS officials believe there are low levels of compliance.

Table 42 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to IRS for review and comment. In its response, IRS stated that it is working with Treasury on guidance to address third-party reporting on certain taxable transactions involving virtual currency. GAO will review this guidance when it is available.

Related GAO Product

Virtual Currencies: Additional Information Reporting and Clarified Guidance Could Improve Tax Compliance. [GAO-20-188](#). Washington, D.C: February 12, 2020.

24. Medicaid Provider Enrollment

The Centers for Medicare & Medicaid Services could ensure that states implement Medicaid provider screening and enrollment requirements, which could potentially save **tens of millions of dollars annually**.



Mission area:
Health

Source: Dynamic Graphics. | GAO-20-440SP

Potential Benefit

Saving tens of millions of dollars annually

Implementing Entity

Centers for Medicare & Medicaid Services

Link to Actions

GAO identified two actions for CMS to improve oversight of provider screening and enrollment in Medicaid. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-8](#)

Contact Information

Carolyn L. Yocom at (202) 512-7114 or yocomc@gao.gov

A crucial component of protecting the integrity of the Medicaid program is ensuring that only eligible providers participate and are reimbursed for services. The Department of Health and Human Services (HHS) estimated that in fiscal year 2019, Medicaid improper payments totaled \$57.36 billion, nearly 15 percent of total program expenditures. States' non-compliance with provider screening and enrollment requirements contributed to over one-third of Medicaid improper payments. To strengthen program integrity, the Patient Protection and Affordable Care Act (PPACA) in 2010 and the 21st Century Cures Act in 2016 included enhanced Medicaid provider screening and enrollment requirements (section 6401(b) of Public Law 111-148 and section 5005 of Public Law 114-255, respectively).

In October 2019, GAO reported that states had not implemented certain provider screening and enrollment requirements established under PPACA and the 21st Century Cures Act. For example, some states had not enrolled certain types of providers as required under these laws, such as those under contract with managed care organizations. The Centers for Medicare & Medicaid Services (CMS) supports states' implementation of these requirements by offering tailored optional consultations, such as CMS contractor site visits that examine the extent of states' implementation of all enhanced requirements. Yet, because consultations are optional, states that may need support could choose to not participate, and CMS would lack complete information on those states.

Further, GAO identified weaknesses in CMS's oversight of states' implementation of provider screening and enrollment requirements. Collectively, CMS's oversight methods do not provide the agency with comprehensive and timely reviews of states' implementation of the requirements. For example, CMS uses the Payment Error Measurement Rate (PERM), which estimates the national Medicaid improper payment rate, to assess states' compliance with provider screening and enrollment requirements. As a part of the PERM, CMS reviews state documentation for a sample of fee-for-service providers—such as licensing information and results from checks in federal databases—to verify that the providers were screened according to federal and state policies and eligible to render and bill for services. However,

- PERM reviews do not assess states' compliance for providers under contract to managed care organizations, among certain other requirements.
- CMS annually contacts states to learn about steps taken to implement their corrective action plans to address areas of noncompliance, but it

does not assess states' progress towards implementing all corrective actions until the next PERM cycle, which is 3 years later.

Without complete information on states' implementation of provider screening and enrollment requirements and progress on areas of noncompliance, CMS cannot ensure that only eligible providers are participating in the Medicaid program, leaving the program vulnerable to improper payments.

GAO recommended that CMS take two actions to better ensure that states are implementing all provider screening and enrollment requirements. Specifically, GAO recommended that CMS expand its review of states' implementation of the provider screening and enrollment requirements to include states that have not used CMS's optional consultations. GAO also recommended that CMS annually monitor progress toward addressing any areas of noncompliance for any state with corrective action plans. CMS agreed with both recommendations.

In February 2020, CMS communicated its plans to reach out to states that have not yet participated in optional consultations to discuss their progress towards implementing provider screening and enrollment requirements, and outline steps to come into full compliance. To fully address this recommendation, CMS will need to review all states' implementation of provider screening and enrollment requirements, including states that not used CMS's optional consultations.

GAO's work suggests that increased state compliance with Medicaid provider screening and enrollment requirements would reduce improper payments, which could also result in financial benefits. While estimates of the amount of savings that could result from these actions are not available, HHS estimated that Medicaid overpayments to providers who were not enrolled in the program were over \$2.5 billion in fiscal year 2019. Even a 1 percent reduction of these payments would result in tens of millions of dollars saved annually.

Table 43 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CMS for review and comment. In its written comments, CMS provided an update on its actions to address the first recommendation, which GAO incorporated. CMS did not provide information on the second recommendation. GAO will continue to monitor CMS's implementation of these recommendations.

Related GAO Product

Medicaid Providers: CMS Oversight Should Ensure State Implementation of Screening and Enrollment Requirements. [GAO-20-8](#). Washington, D.C.: October 10, 2019.

25. VA Allocation of Health Care Funding

The Department of Veterans Affairs should improve its funding allocation process to help ensure the more efficient use of funds at its medical centers.



Mission area:
Health

Source: Dynamic Graphics. | GAO-20-440SP

Potential Benefit

More efficient use of funding

Implementing Entity

Department of Veterans Affairs

Link to Actions

GAO identified one action for VA to take to help ensure the efficient use of funds at its medical centers. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-670](#)

Contact Information

Sharon M. Silas at (202) 512-7114 or silass@gao.gov

The Department of Veterans Affairs' (VA) has developed processes for allocating health care funds to its regional networks and the medical centers they oversee that provide care to veterans. In fiscal year 2019, VA allocated about \$49 billion in funds for general patient care—known as general purpose funds—using two main allocation models. The first model allocates funds to each regional network and a second model then allocates these funds to the medical centers that report to each network. These models allocate funds based on patient workload—the number and type of veterans served and the complexity of care provided. According to VA guidance, regional networks are allowed to make adjustments to medical centers' allocated funding levels determined by the models. VA's strategic plan also calls for the efficient allocation of funds.

GAO found that, in fiscal year 2019, seven of VA's 18 regional networks adjusted the allocated funding levels determined by the models to ensure that every medical center within its networks received either the same level of funding or a minimum funding increase of up to 2 percent relative to the prior year. According to regional network officials, funds were often shifted from medical centers that had received relatively large increases in funds due to growing patient workload to medical centers that had received a decrease or relatively flat funds compared to the prior year due to either declining or relatively flat patient workload. Officials at the seven regional networks stated that the adjustments were necessary to ensure that medical centers with declining workload could continue to cover the costs for the services they offer and the staff they employ, including providing federally mandated annual salary increases for those staff.

Such adjustments, however, may lead to the inefficient use of funds because medical centers with declining workload are not required to improve efficiency—such as adjusting the level of services they offer. GAO found that VA's guidance on the allocation of funds does not require regional networks—in conjunction with medical centers with declining workload—to develop and submit approaches to improve the efficiency of medical center operations, which would help lower overall costs. Without doing so, VA increases the risk that these adjustments will not align with its strategic plan for the efficient use of funds.

GAO recommended that VA revise its existing guidance to require regional networks—in conjunction with medical centers—to develop and submit approaches to improve efficiency at medical centers with declining workload that received adjusted funding levels. These approaches could include adjusting the level of services offered at these medical centers. VA concurred in principle with this recommendation, stating that it is

conducting market assessments over a multi-year period to increase access and quality of care to veterans.

VA said that after completing the market assessments by December 2020 and reviewing information from other VA efforts, it may consider adjusting the level of services along with other alternatives.

GAO cannot estimate what potential financial benefits, if any, may be achieved by taking this action. However, implementation of this recommendation could help ensure the efficient use of VA health care funds at medical centers with declining patient workload.

Table 44 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to VA for review and comment. VA did not provide comments on this report section.

Related GAO Product

Veterans Health Care: VA Needs to Improve Its Allocation and Monitoring of Funding. [GAO-19-670](#). Washington, D.C.: September 23, 2019.

26. Open Source Software Program

The Department of Defense needs to fully implement the open source software pilot program to reduce duplication and potentially achieve **millions of dollars annually** in cost savings to the agency.



Source: PhotoDisc. | GAO-20-440SP

Potential Benefit

Potentially millions of dollars annually

Implementing Entity

Department of Defense

Link to Actions

GAO identified four actions for DOD to take to fully implement the pilot program mandated by law. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-457](#)

Contact Information

Carol C. Harris at (202) 512-4456 or hariscc@gao.gov

The federal government spends billions of dollars on software each year. A significant portion of the software used by federal agency systems comes from either preexisting federal solutions or commercial solutions, including open source software. Open source software is developed from source code that is obtained under a license that allows it to be modified, shared, and reused. The reuse of open source software can reduce development costs and also yield cost savings by reducing duplicative acquisitions for substantially similar code.

According to the Office of Management and Budget (OMB) memorandum M-16-21 (Federal Source Code Policy: Achieving Efficiency, Transparency, and Innovation through Reusable and Open Source Software, Aug. 8, 2016), when agencies procure custom-developed source code, they do not necessarily make their new code broadly available as open source for government-wide reuse. This may result in unnecessary costs to the agency and an inefficient use of taxpayer funds. The National Defense Authorization Act for Fiscal Year 2018 required the Department of Defense (DOD) to implement the open source software pilot program established by OMB memorandum M-16-21 (section 875 of Public Law 115-91).

The OMB memorandum called for agencies to implement the open source software pilot program through the release of at least 20 percent of their new, custom-developed code as open source, and establishing a metric for calculating the percentage of code released as open source to gauge program performance. The OMB memorandum also establishes several related requirements, including issuing policy on government-wide use of code, conducting analyses of software solutions, securing data rights and inventorying code, and facilitating the open source community. Although the department has existing acquisition policies applicable to open source software, these policies do not comply with OMB's memorandum. As of September 2019, DOD had not fully implemented the open source software pilot program mandated by law.

GAO made four recommendations to DOD to fully implement the pilot program and related OMB requirements. DOD agreed with two recommendations, partially agreed with one, and did not agree with the remaining one. The department did not agree with the recommendation to ensure that the pilot program is fully implemented by releasing at least 20 percent of newly custom-developed code as open source software. The department responded that the pilot program described in the OMB memorandum is not implementable as proposed. DOD asserts that most of the department's custom developed software is sensitive and cannot be released for national security concerns. However, the department said

it will be able to determine if 20 percent is an appropriate goal once a baseline inventory of custom-developed software and the procedures for maintaining it are established. Although the department estimates inventorying custom-developed software code will be completed in fiscal year 2020, it has not provided a timeline for establishing procedures for maintaining the inventory.

The department also stated that the size and complexity of DOD presents unique challenges for the department to implement related OMB requirements, such as inventorying all software development projects to establish a baseline. GAO maintains that all recommendations are needed for DOD to satisfy the act's requirement.

As of February 2020, a department official stated that an updated policy on the use of open source software is being developed. According to the official, the updated policy will include procedures for a more accurate and comprehensive inventory of custom-developed software. The department estimated that the policy will be completed in fiscal year 2020.

Until DOD fully implements the pilot program and related requirements, it will not be positioned to take advantage of cost savings. According to an official from the Defense Information Systems Agency, the agency realized \$20 million in annual savings following the implementation of a new open source solution over the commercial solution that had been maintained by a vendor. GAO concluded that DOD could potentially save millions of dollars annually if even one additional open source opportunity was implemented.

Table 45 in appendix VI provides additional program information related to this issue area.

Agency Comments and GAO's Evaluation


GAO provided a draft of this report section to DOD for review and comment. DOD explained that current policy allows and encourages the use of open source software where it meets agency needs. In addition, DOD stated that GAO's recommendations focus on DOD's role as a producer, rather than as a consumer, of open source software. A DOD official explained that it is not reasonable to conclude that the projected savings will result from the implementation of GAO's recommendations. However, DOD entities can consume open source software that other DOD entities produce. GAO maintains that this very consumption of open source software developed elsewhere in DOD could reduce development costs and potentially produce overall cost savings.

Related GAO Product

Information Technology: DOD Needs to Fully Implement Program for Piloting Open Source Software. [GAO-19-457](#). Washington, D.C.: September 10, 2019.

27. DOD Oversight of Foreign Reimbursements

By implementing a process to monitor orders and resolve outstanding reimbursements, the Department of Defense could recover **millions of dollars** in overdue repayments for sales made to foreign partners.



Mission area:
International affairs

Source: Creatas. | GAO-20-440SP

Potential Benefit
Millions of Dollars

Implementing Entity
Department of Defense

Link to Actions
GAO identified one action for DOD to improve ACSA reimbursement processing. See GAO's [Action Tracker](#).

Related GAO Product
[GAO-20-309](#)

Contact Information
Jason Bair at (202)-512-6881 or bairj@gao.gov

The Department of Defense (DOD) uses Acquisition and Cross-Servicing Agreements (ACSA) to exchange logistics support, supplies, and services, such as water, fuel, and munitions, with more than 100 partner countries and international organizations in return for cash or in-kind reimbursement. According to DOD, it uses ACSAs during wartime, training, deployments, contingency operations, and humanitarian or foreign disaster relief operations, among other activities.

DOD uses the ACSA Global Automated Tracking and Reporting System (AGATRS) as its system of record to document sales and acquisitions under ACSA agreements. According to its records, DOD authorized more than 22,000 ACSA orders from October 2013 through September 2019 that provided foreign partners with approximately \$5 billion of logistic support, supplies, and services. However, DOD has not maintained quality data to track ACSA orders and has not received reimbursement for thousands of orders.

According to DOD officials, data quality lapses occur because DOD does not have a process in place to reconcile reimbursement information with data recorded in AGATRS. DOD officials told GAO that AGATRS does not have financial processing capabilities and is not integrated with DOD's financial processing systems. As a result, ACSA personnel must manually update information in AGATRS as orders are processed in other financial systems, but do not always do so, according to DOD officials. Without a process to ensure that ACSA order data are accurate, DOD does not have sufficient information to oversee ACSA reimbursement.

Based on a generalizable sample, GAO estimated that DOD did not receive full reimbursement for 24 percent of ACSA orders that were authorized in DOD's system of record, from October 2013 through March 2018. In the sample of ACSA orders reviewed, GAO confirmed at least \$26 million in unpaid reimbursement. Orders remain unpaid, in part, because DOD had not requested timely repayment or monitored reimbursement. These management weaknesses limited DOD's ability to obtain reimbursement for ACSA orders it identified as overdue and valued at more than \$1 billion, as of November 2019.

GAO recommended that DOD implement a process to monitor ACSA orders recorded as overdue in DOD's system of record and take steps to resolve outstanding reimbursements, as appropriate. DOD agreed with the recommendation. By establishing a process to better monitor ACSA orders, DOD can help ensure it secures reimbursement for support provided to its partners.

GAO cannot precisely estimate savings that would occur if this action were taken because the value of orders without invoices is unknown. As a result, it is uncertain how many reimbursements would result from taking steps to monitor and resolve outstanding reimbursements, such as by sending invoices.

Further, while AGATRS recorded \$1 billion in overdue ACSA orders, as of November 2019, the value of overdue orders will remain unclear until DOD addresses data inaccuracies in its system. However, if even 1 percent of the value were recovered, this could amount to millions of dollars in reimbursements.

Table 46 in appendix VI provides additional information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to DOD for review and comment. DOD did not provide comments on this report section.

Related GAO Product

Defense Logistics Agreement: DOD Should Improve Oversight and Seek Payment from Foreign Partners for Thousands of Orders It Identifies as Overdue. [GAO-20-309](#). Washington, D.C.: March 4, 2020.

28. Drawback Program Modernization

U.S. Customs and Border Protection should improve its internal controls over the drawback program—which provides refunds of certain duties, taxes and fees—to potentially prevent **millions of dollars** in improper drawback refunds.



Mission area:
International affairs

Source: Creatas. | GAO-20-440SP

Potential Benefit

Millions of dollars

Implementing Entity

U.S. Customs and Border Protection

Link to Actions

GAO identified four actions for CBP to achieve cost savings. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-20-182](#)

Contact Information

Kimberly M. Gianopoulos at (202) 512-8612 or gianopoulosk@gao.gov

U.S. Customs and Border Protection (CBP) refunds about \$1 billion per year of certain duties, taxes, and fees paid on imported merchandise that is subsequently exported or destroyed under CBP supervision, a process called drawback. For example, a merchant who paid duties on imported fabric, made it into clothes, and then exported the clothes could “drawback” or claim a refund for import duties paid.

In December 2019, GAO reported on the changes CBP implemented in the drawback program pursuant to the Trade Facilitation and Trade Enforcement Act of 2015. This includes requiring the electronic filing of claims to modernize the program and mitigate the risks of improper payments of drawback refunds.

As of February 24, 2018, CBP began electronically verifying drawback claims against import information. However, GAO found that CBP lacks effective automated controls to prevent overpayment of drawback refunds related to export information. Improper drawback refunds could occur, for example, when a claimant exported 10 widgets and subsequently filed one drawback claim for six exported widgets and a second claim for five exported widgets; CBP could not systematically verify that the second drawback claim was excessive and thus invalid. Although CBP has a long-standing goal to develop an electronic means of establishing proof of export, it has not yet done so.

To compensate for the lack of automated controls and to mitigate risks, CBP performs various types of reviews on drawback claims. CBP selected some drawback claims for a manual full desk review, which involved a comprehensive verification of the complete drawback claim. However, CBP has not reviewed a selection of claims manually since February 2018, when a system error forced CBP to disable the selection feature. This lack of review increases the risks of improper drawback refunds for claims filed. As of August 23, 2019, CBP had over 35,000 drawback refund claims with an estimated total value of \$2 billion.

Federal standards for internal control call for agency management to identify, analyze, and respond to risks. CBP is working to reactivate the selection feature, but it does not have a plan to retroactively conduct full desk reviews of claims that were accepted during the system error, or to identify and analyze risks revealed by reviews to adjust how it selects cases to review in the future.

GAO made four recommendations to CBP to take steps to prevent payment of excessive claims. CBP concurred and stated that it is taking steps to identify the appropriate policy and technical changes needed to prevent excessive claims. For example, CBP plans to turn the drawback claim selection feature back on and retroactively review the claims accepted during the lapse period, as appropriate. As of March 2020, CBP had not reactivated the selection feature.

Without taking steps to select claims for review and to analyze noncompliance patterns, CBP may miss opportunities to protect U.S. trade revenue. GAO cannot precisely estimate the potential savings that might result from CBP taking steps to prevent excessive claims because the resulting amount of drawback claim correction is unknown. However, if these steps reduced payments of drawback claims by even 1 percent, this could equate to millions of dollars in savings.

Table 47 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to CBP for review and comment. CBP provided technical comments, which GAO incorporated, as appropriate.

Related GAO Product

Customs and Border Protection: Risk Management for Tariff Refunds Should Be Improved. [GAO-20-182](#). Washington, D.C.: December 17, 2019.

29. Student Loan Income-Driven Repayment Plans

The Department of Education should improve verification of borrowers' income and family size information on Income-Driven Repayment plans to safeguard the hundreds of billions of dollars in federal investment in student loans and potentially **save more than \$2 billion**.



Source: GAO. | GAO-20-440SP

Potential Benefit

Safeguard the federal investment in student loans and save over \$2 billion

Implementing Entity

Department of Education

Link to Actions

GAO identified three actions to reduce the risk of fraud and error in Income-Driven Repayment plans. See GAO's [Action Tracker](#).

Related GAO Product

[GAO-19-347](#)

Contact Information

Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov

Seto J. Bagdoyan at (202) 512-6722 or bagdoyans@gao.gov

As of September 2019, half of the \$937 billion in outstanding William D. Ford Federal Direct Loans (Direct Loans) were being repaid by student loan borrowers using Income-Driven Repayment (IDR) plans. The Department of Education (Education) administers the Direct Loan program, including IDR plans. IDR plans are designed to make loan repayment more manageable by basing monthly payment amounts on borrower's income and family size, extending repayment periods from the standard 10 years to up to 25 years, and forgiving any loan balances remaining at the end of the repayment period. Prior GAO work found that although IDR plans can benefit borrowers by reducing their monthly payment amounts, they may carry high costs for taxpayers and the government because of the possibility of loan forgiveness.

In June 2019, GAO identified indicators of potential fraud or error in income and family size information for borrowers with approved IDR plans.

- About 95,100 of nearly 878,500 IDR plans GAO analyzed were held by borrowers who reported having zero income yet potentially earned enough wages to make monthly student loan payments. This analysis is based on wage data from the National Directory of New Hires, a federal dataset that contains quarterly wage data for newly hired and existing employees. According to GAO's analysis, 34 percent of these plans were held by borrowers who had estimated annual wages of \$45,000 or more. Borrowers with these 95,100 IDR plans owed nearly \$4 billion in outstanding Direct Loans as of September 2017.
- About 40,900 of about 5 million IDR plans were approved based on family sizes of nine or more, which GAO considered atypical because they comprised about the top 1 percent of family sizes in Education's data. Borrowers with atypical family sizes of nine or more owed almost \$2.1 billion in outstanding Direct Loans as of September 2017.

Given that income and family size are used to determine IDR monthly payments, fraud or errors in this information can result in Education losing thousands of dollars of loan repayments per borrower each year and potentially increasing the ultimate cost of loan forgiveness. Where appropriate, GAO has referred these results to Education for further investigation.

GAO identified weaknesses in Education's verification processes that limit its ability to detect potential fraud or error in IDR plans. While borrowers applying for IDR plans who report taxable income must provide documentation, such as tax returns or pay stubs, Education generally

accepts borrower reports of zero income and borrower reports of family size without verifying the information. In addition, Education has not systematically implemented other data analytic practices, such as using data it already has to detect anomalies in income and family size that may indicate potential fraud or error. Combining such practices with follow-up procedures to verify information on IDR applications could help Education reduce the risk of using fraudulent or erroneous information to calculate IDR payments.

GAO recommended that Education (1) obtain data to verify income information for borrowers who report zero income on IDR applications, (2) implement data analytic practices and follow-up procedures to verify borrower reports of zero income, and (3) implement data analytic practices and follow-up procedures to verify borrowers' family size. Education generally agreed with the recommendations. In December 2019, legislation was enacted that provides Education with statutory authority to access certain Internal Revenue Service (IRS) data for the purpose of determining eligibility for IDR plans, among other federal student aid activities. Education could use such IRS data to implement the first recommendation. As of March 2020, Education had begun planning for the implementation of the legislation and initiated a pilot program with three of its loan servicers to conduct additional verification of income or family size information for a random sample of up to 7,500 total borrowers per month. The pilot is focused on borrowers who self-certified that they had no income or who reported certain family sizes.

Implementing such actions could help ensure that (1) IDR payment amounts are based on information that accurately represents a borrower's situation, and (2) the federal government's fiscal exposure to IDR loans is safeguarded from the risk of loss due to fraud or error. The Congressional Budget Office estimated that Education's use of IRS data for IDR plans could result in over \$2 billion in savings for 2020-2029.

Table 48 in appendix VI provides additional program and budgetary information related to this issue area.

Agency Comments and GAO's Evaluation

GAO provided a draft of this report section to Education for review and comment. Education provided technical comments, which GAO incorporated.

Related GAO Product

Federal Student Loans: Education Needs to Verify Borrowers' Information for Income-Driven Repayment Plans. [GAO-19-347](#). Washington, D.C.: June 25, 2019.

Appendix IV: New Actions Added to Existing Areas

We are adding 88 new actions based on GAO reports that fall within the scope of 10 existing areas identified in prior annual reports.

New Action Added to Existing Area



Mission area:
Defense

Source: Department of Defense/
Helene C. Stikkel. | GAO-20-440SP

Navy Shipbuilding

In March 2020, GAO identified 12 actions for the Navy to improve its acquisition practices and ensure ships can be efficiently sustained, potentially saving **billions of dollars**.

GAO product with new actions: [GAO-20-2](#)

Updates on prior actions:

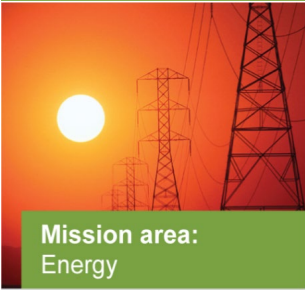
- Two actions have been addressed, one action has been partially addressed, and one action has not been addressed.
- See the [Action Tracker](#) for more information.

GAO reported in March 2020 on challenges identifying, evaluating, and mitigating ship sustainment risks during the acquisition process for every new warship class—such as aircraft carriers and submarines—that, if fixed, could save billions of dollars. GAO found 150 examples of systemic maintenance problems, such as failed engines and non-functional plumbing. To correct just 30 percent of these problems, GAO found that it would cost the Navy \$4.2 billion. Many of these problems could have been prevented with some attention to future maintenance concerns when designing and building the ships. GAO also found that the Navy underestimated the costs to maintain some ships by \$130 billion. GAO made 11 recommendations to help the Navy focus on maintenance earlier and one suggestion to Congress to enhance oversight.

New Actions: GAO recommended in March 2020 that the Department of Defense (DOD) improve its policy for setting sustainment requirements and the Navy then revisit its requirements to comply with the new policy. GAO also recommended that DOD and the Navy take steps to improve sustainment in the acquisition process. GAO also asked Congress to consider developing an oversight mechanism for evaluating shipbuilding programs sustainment cost estimate growth during the acquisition process. While GAO cannot precisely estimate the financial benefits from these actions, if the Navy could eliminate some of the sustainment problems and even 1 percent of the maintenance cost growth GAO identified, it could amount to billions of dollars in savings.

Agency Comments and GAO's Evaluation: DOD agreed with eight and partially agreed with three recommendations. GAO provided a draft of this report section to DOD for comment. DOD provided technical comments, which GAO incorporated as appropriate.

New Action Added to Existing Area



Mission area:
Energy

Source: ©Corbis. | GAO-20-440SP

Oil and Gas Resources

In September 2019, GAO identified two new actions to improve the Department of the Interior's valuations of offshore oil and gas resources, each of which could increase the amount of revenue collected by **tens of millions of dollars annually**.

GAO product with new actions: [GAO-19-531](#)

Updates on prior actions:

- Three actions have been partially addressed, and two actions have not been addressed.
- See the [Action Tracker](#) for more information.

Production of oil and gas in federal waters generated about \$90 billion in revenue from 2006 through 2018 including from industry bids for leasing rights. However, GAO found that the Department of the Interior's (Interior) Bureau of Ocean Energy Management (BOEM) undervalues federal offshore oil and gas resources, leading it to collect less bid revenue than it otherwise would. Specifically, the bureau (1) forecast unreasonably high levels of depreciation on lease value between lease sales, which lowered bid revenue by about \$873 million from March 2000 through June 2018; and (2) adjusted some valuations downward to justify accepting bids, which lowered bid revenue by about \$567 million over the same time period.

New Actions: The bureau Director should (1) enlist an independent third party to examine the extent to which the bureau's depreciation forecasts assure the receipt of fair market value, and make changes as appropriate; and (2) take steps to ensure that the bureau's bid valuation process is not biased toward adjusting valuations downward. In its comments on the report, Interior disagreed with the first recommendation and partially agreed with the second, disagreeing with GAO's characterization of BOEM's delayed valuations and valuation process, respectively. GAO maintains that taking each of the recommended actions would better ensure a fair return on the sale of offshore oil and gas leases by better ensuring BOEM's thresholds for accepting bids are sound and unbiased.

Agency Comments and GAO's Evaluation: GAO provided a draft of this report section to Interior for review and comment. In its March 2020 response, Interior indicated that (1) although it disagrees with the first recommendation, it will conduct an in-house review and have it peer-reviewed; and (2) it now agrees with the second recommendation.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Disaster Response Contracting

In April 2019, GAO identified two actions the U.S. Army Corps of Engineers and U.S. Coast Guard can take to improve fragmented interagency coordination of lessons learned following disasters.

GAO product with new actions: [GAO-19-281](#)

Updates on prior actions:

- One action has been addressed, and two actions have been partially addressed.
- See the [Action Tracker](#) for more information.

GAO found that the U.S. Army Corps of Engineers (USACE) and U.S. Coast Guard (USCG) had fragmented approaches to identifying interagency challenges and lessons learned related to disaster contracting, resulting in these findings not being communicated to the Federal Emergency Management Agency's (FEMA) Emergency Support Function Leadership Group—the group tasked with identifying interagency lessons learned following disasters. FEMA officials stated that it is up to each agency to elevate issues to the group; however, GAO found that neither USACE nor USCG had formal processes for doing so. Identifying and communicating lessons learned would help better manage fragmentation and enhance agencies' abilities to address weaknesses in disaster response.

New Actions: To help address fragmentation and ensure that challenges are communicated across departments, GAO recommended in April 2019 that the Secretary of the Army should direct the Commanding General of USACE to, and that the Commandant of USCG should, establish formal processes to solicit input from officials directly involved in the agencies' response and recovery following a disaster and to share that input with the Emergency Support Function Leadership Group.

Agency Comments and GAO's Evaluation: USACE and USCG concurred with GAO's recommendations and planned to implement them this year. GAO provided a draft of this report section to USACE and USCG for review and comment. USCG said it is reviewing lessons learned and the after-action reporting process to update its policy. USACE indicated it updated its guidance to incorporate specific steps to communicate lessons learned with FEMA's Emergency Support Function Leadership Group and that the guidance would be finalized spring 2020. GAO will continue to monitor the implementation of these recommendations.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Federal Shared Services

In March 2020, GAO identified a new action to improve the Department of Housing and Urban Development's working capital fund and better position it to achieve **over \$1 million** in previously identified potential annual savings.

GAO product with new action: [GAO-20-263](#)

Updates on prior actions:

- Three actions have not been addressed, and one action has been partially addressed.
- See the [Action Tracker](#) for more information.

Housing and Urban Development's (HUD) Working Capital Fund (WCF) provides a mechanism to centralize and fund federal shared services used across offices and agencies within HUD. One of the WCF's goals is to support the efficient delivery of goods and services. GAO found that HUD does not assess the results of the WCF's business process analyses, which are used to identify opportunities for efficiencies. For example, these analyses identified actionable ways to reduce high volumes of transactions for certain services, such as calls to help desks to manually reset passwords, which contribute to increased costs. Assessing the results of these analyses would help HUD better understand how the WCF's efforts contribute to its goal.

New Action: GAO recommended that the Secretary of HUD, in conjunction with the Office of the Chief Financial Officer, should ensure that the results of the business process analyses are assessed to better determine how these analyses contribute to its goal of efficient delivery of goods and services. While GAO cannot estimate the potential savings that would result, taking this action could help the WCF achieve over \$1 million in potential annual savings already identified by WCF recommendations and to identify additional potential savings.

Agency Comments and GAO's Evaluation: GAO provided a draft of this report section to HUD for review and comment. HUD agreed and said it would address this recommendation in 2020, including adding the results of the business process analyses to its performance measures.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Government-wide Improper Payments

In June 2019, GAO identified a new action that could improve oversight of disaster relief funds and long-standing problems of improper payments, which could result in significant cost savings.

GAO product with new action: [GAO-19-479](#)

Updates on prior actions:

- One action has been consolidated, one action has been partially addressed, and two actions have not been addressed.
- See the [Action Tracker](#) for more information.

Agencies must distribute disaster relief aid quickly following hurricanes, wildfires, or other natural disasters, but quickly spending billions of dollars can increase the risk of improper payments. In June 2019, GAO reported that one of six selected agencies did not submit required internal control plans to Congress for funds appropriated following the 2017 disasters. Of the five agencies that did submit the required plans, four were not timely and all lacked necessary information, such as how they met Office of Management and Budget (OMB) guidance and federal internal control standards. These issues were caused, in part, because OMB lacked an effective strategy for helping agencies develop internal control plans for overseeing these funds.

New Action: GAO recommended in June 2019 that the Director of OMB, after consulting with key stakeholders, should develop a strategy for ensuring that agencies communicate sufficient and timely internal control plans for effective oversight of disaster relief funds.

Agency Comments and GAO's Evaluation: OMB disagreed with this recommendation and stated that it does not believe timeliness and sufficiency of internal control plans present material issues that warranted OMB action; however, GAO continues to believe that future internal control plans could serve as a critical transparency tool for controls over disaster funds. GAO provided a draft of this report section to OMB for review and comment. In its response, OMB continued to disagree that this recommendation is needed. GAO believes this action is needed for oversight of disaster funds.

New Action Added to Existing Area



Mission area:
General government

Source: PhotoDisc. | GAO-20-440SP

Identity Theft Refund Fraud

In January 2020, GAO identified three new actions to help the Internal Revenue Service prevent refund fraud associated with identity theft. If implemented, these actions could potentially save **millions of dollars**.

GAO product with new actions: [GAO-20-174](#)

Updates on prior actions:

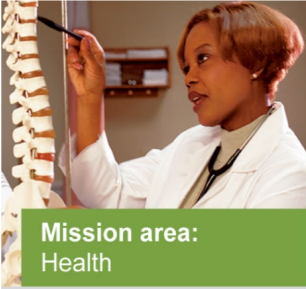
- Four actions have been addressed, two actions have been partially addressed, and one action has not been addressed.
- See the [Action Tracker](#) for more information.

Business identity theft refund fraud (business IDT) occurs when thieves create, use, or try to use a business' identifying information to claim a tax refund. Between January 2017 and August 2019, the Internal Revenue Service's (IRS) fraud detection tools helped prevent \$384 million from being paid to fraudsters. However, GAO found IRS could do more to combat business IDT. In January 2020, GAO found that, inconsistent with leading practices, IRS had not designated an entity to design and oversee business IDT fraud risk management efforts, conducted a fraud risk assessment, or developed a fraud risk profile to document the results of its risk assessment. Addressing these issues could help IRS identify and implement more effective controls to detect and prevent business IDT. While GAO cannot precisely estimate the financial benefits associated with this action, even a 1 percent increase in fraud prevention could amount to millions in financial benefits.

New Actions: In January 2020, GAO recommended that consistent with leading practices, IRS (1) designate a dedicated entity to oversee agency-wide business IDT efforts; (2) develop a fraud risk profile for business IDT; and (3) document and implement a strategy for addressing fraud risks identified in its fraud risk profile.

Agency Comments and GAO's Evaluation: GAO provided a draft of the January 2020 report to IRS for review and comment. IRS generally agreed, but did not provide details on the actions it plans to take to address these recommendations. IRS also did not provide comments on this report section.

New Action Added to Existing Area



Mission area:
Health

Source: Dynamic Graphics. | GAO-20-440SP

VA Medical Supplies Procurement

In January 2020, GAO identified a new action to help the Department of Veterans Affairs assess duplication in its medical supply program.

GAO product with new action: [GAO-20-132](#)

Updates on prior actions:

- Four actions have been partially addressed.
- See the [Action Tracker](#) for more information.

In January 2020, GAO found that the Medical Surgical Prime Vendor program duplicates parts of the Department of Veterans Affairs (VA) Federal Supply Schedule program. VA spends billions of dollars annually on procurement of medical supplies to support care for veterans at its 170 medical centers but has not assessed whether its efforts are duplicative. VA procures medical supplies through both its own Medical Surgical Prime Vendor program and through the Federal Supply Schedule program—a government-wide program, parts of which the General Services Administration has long delegated to VA. However, VA has not assessed whether duplication across these programs is necessary or if efficiencies could be gained. GAO cannot estimate the savings that might be associated with this action because such savings will be dependent on whether, when, and how VA takes action.

New Action: GAO recommended that the Secretary of Veterans Affairs should take steps to assess duplication between VA's Medical-Surgical Prime Vendor and Federal Supply Schedule programs to determine if this duplication is necessary or if efficiencies can be gained.

Agency Comments and GAO's Evaluation: VA agreed with this recommendation. GAO provided a draft of this report section to VA for review and comment. VA provided technical comments which GAO incorporated as appropriate.

New Action Added to Existing Area



Mission area:
Homeland security, law
enforcement or both

Source: PhotoDisc. | GAO-20-440SP

Homeland Security Grants

In November 2019, GAO identified two new actions to help reduce the risk of duplicate funding in emergency relief assistance for transit agencies.

GAO product with new actions: [GAO-20-85](#)

Updates on prior actions:

- Four actions have been addressed, two actions have been partially addressed, and one action has not been addressed.
- See the [Action Tracker](#) for more information.

In 2017, Hurricanes Harvey, Irma, and Maria caused hundreds of millions of dollars in damage to U.S. public transit facilities. Both the Federal Transit Administration (FTA) and the Federal Emergency Management Agency (FEMA) have the authority to provide disaster assistance funding to transit agencies, but FTA has primary responsibility if it receives an appropriation from Congress for its Public Transportation Emergency Relief program. FTA did not receive an appropriation until roughly 6 months after the first hurricane's landfall, thus transit agencies could initially apply to FEMA for assistance. In November 2019, GAO found that although FTA and FEMA coordinated efforts, both agencies still approved about \$35,000 to one applicant for the same expenses in 2019. While the amount of funding in question was relatively small, without addressing the challenge of identifying transit expenses in FEMA applications, FTA and FEMA will continue to face the risk that both agencies will approve funding for the same expense in the future.

New Actions: GAO recommended in November 2019 that FTA and FEMA identify and develop controls, such as methods to more easily identify transit expenses within applications FEMA receives, to address the risk of duplicate funding.

Agency Comments and GAO's Evaluation: The Department of Transportation (DOT) and the Department of Homeland Security (DHS) agreed with this recommendation and outlined steps they plan to take to address it. GAO provided a draft of this report section to DOT and DHS for review and comment. DOT said it did not have comments on this report section. DHS provided technical comments, which GAO incorporated as appropriate.

New Action Added to Existing Area



Mission area:
Information technology

Source: PhotoDisc. | GAO-20-440SP

Cloud Computing

In April 2019, GAO identified 28 new actions to help agencies save **millions of dollars** through better planning and implementation of cloud-based computing solutions.

GAO product with new actions: [GAO-19-58](#)

Updates on prior actions:

- Two actions have been addressed.
- See the [Action Tracker](#) for more information including applicable agencies.

Beginning in 2012, federal agencies were required to assess all IT investments for cloud computing services, and from 2014 to 2018, agencies reported \$291 million in cloud-related savings. For example, agencies reported saving as much as \$15 million migrating email systems to cloud services. However, GAO reported that 12 of the 16 agencies reviewed had not completed their assessments and that savings data were unavailable for 84 percent of the 488 cloud investments reviewed. Improving the assessment of investments for cloud services and tracking related savings can help agencies make better decisions regarding cloud acquisitions and potentially save millions of dollars from implementing cloud services.

New actions: GAO made 28 recommendations in April 2019 to all 16 agencies, including that (1) 12 agencies should complete an assessment of all of their IT investments for suitability for migration to a cloud computing service, in accordance with OMB guidance; and (2) 16 agencies should ensure that their respective Chief Information Officers establish a consistent and repeatable mechanism to track savings and cost avoidances from the migration and deployment of cloud services. Fourteen agencies agreed with all recommendations, the Department of the Treasury neither agreed nor disagreed, and the Department of Defense agreed with the recommendation on completing assessments, but not with the recommendation on tracking savings.

Agency comments and GAO's evaluation: GAO provided a draft of this report section to the 16 agencies for review and comment. One agency agreed, 13 agencies had no comments, and two neither agreed nor disagreed. Additionally, seven of the 16 agencies are taking actions to address GAO's recommendations.

New Action Added to Existing Area



Mission area:
Information technology

Source: PhotoDisc. | GAO-20-440SP

Federal Data Centers

In April 2019, GAO identified 36 new actions to help federal agencies meet the Office of Management and Budget's data center consolidation and optimization goals, resulting potentially in **hundreds of millions of dollars** in savings.

GAO product with new actions: [GAO-19-241](#)

Updates on prior actions:

- GAO is no longer tracking the original two actions in this area.
- See the [Action Tracker](#) for more information.

Federal agencies operate thousands of data centers and, since 2010, have been required to close unneeded facilities and improve the performance of the remaining centers. This effort is currently known as the Data Center Optimization Initiative (DCOI). Since 2010, agencies have closed 6,250 centers and reported \$4.2 billion in savings. However, only two of 24 agencies in GAO's review planned to fully meet the Office of Management and Budget's (OMB) September 2018 government-wide optimization goals, such as determining how much time data servers sit unused and how effectively data centers use power.

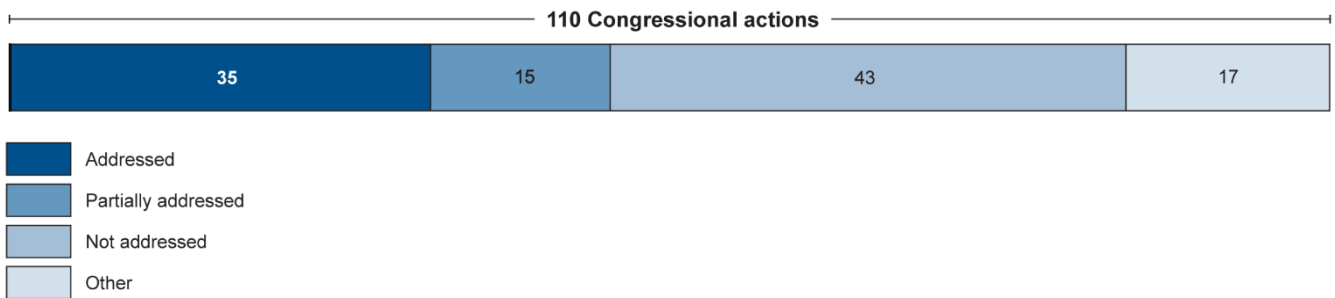
New actions: GAO made 36 recommendations in April 2019 to 22 of the 24 agencies in its review, including that (1) 11 agencies should meet DCOI's data center closure targets; (2) four agencies should meet DCOI's data center-related cost savings targets and one should identify additional cost savings opportunities; and (3) 20 agencies should meet DCOI's data center optimization metric targets. While GAO cannot precisely estimate the potential savings of taking these actions, combined estimates from agencies for similar prior actions exceeded \$100 million per year, suggesting potential for hundreds of millions of dollars in additional savings over time. In June 2019, OMB significantly revised DCOI's goals and performance measures and GAO continues to monitor agencies' progress against these new targets.

Agency comments and GAO's evaluation: GAO provided a draft of this report section to 22 agencies for review and comment. Two agencies agreed, seven neither agreed nor disagreed, and 13 agencies had no comments. Additionally, two agencies have taken action to fully address the recommendations and the remaining 20 agencies are taking actions to address GAO's recommendations.

Appendix V: Open Congressional Actions, by Mission

In our 2011 to 2020 annual reports, we directed 110 actions to Congress, of which 58 remain open. Thirty-five have been addressed and 17 were closed as not addressed or consolidated. Of the 58 open congressional actions, 15 are partially addressed and 43 are not addressed, as of March 2020 (see figure 10).

Figure 10: Status of Congressional Actions from 2011 to 2020 as of March 2020




Source: GAO. | GAO-20-440SP

Note: In assessing actions suggested for Congress, GAO applied the following criteria: “addressed” means relevant legislation has been enacted and addresses all aspects of the action needed; “partially addressed” means a relevant bill has passed a committee, the House of Representatives, or the Senate during the current congressional session, or relevant legislation has been enacted but only addressed part of the action needed; and “not addressed” means a bill may have been introduced but did not pass out of a committee, or no relevant legislation has been introduced. Actions suggested for Congress may also move to “addressed” or “partially addressed,” with or without relevant legislation, if an executive branch agency takes steps that address all or part of the action needed. At the beginning of a new congressional session, GAO reapplies the criteria. As a result, the status of an action may move from partially addressed to not addressed if relevant legislation is not reintroduced from the prior congressional session. Actions categorized as “other” are no longer assessed. In most cases, “other” actions were replaced or subsumed by new actions based on additional audit work or other relevant information. In 2020, one congressional action was closed as “other” and replaced by a new action, causing the cumulative action count for 2011 to 2019 to increase from 106 to 107. In addition, three new actions were added in 2020 for a total action count of 110.

The tables below have more information on the 58 open congressional actions. Our [Action Tracker](#) downloadable spreadsheet (available in [XLSX](#) or [CSV](#) formats) has information on all actions.

Table 8: Open Congressional Actions in the Agriculture Mission Area

Mission Area: Agriculture		
Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
 <p>Source: USDA and PhotoDisc. GAO-20-440SP</p>	GAO-13-268	Save tens of millions of dollars annually
	GAO-12-256 GAO-17-501	Save hundreds of millions , or up to \$1.4 billion annually
	GAO-02-47T GAO-15-180	Save hundreds of millions of dollars annually
Food Safety (2011-01)		Strengthen oversight of food safety and address fragmentation

Area name (links to *Action Tracker*)

Action summary and status, when partially addressed

[Agricultural Quarantine Inspection Fees \(2013-18\)](#)

Congress should consider taking steps to allow the Secretary of Agriculture to set fee rates to recover the full costs of the Agricultural Quarantine Inspection program.

[Crop Insurance \(2013-19\)](#)

Congress should consider either limiting the amount of premium subsidies that an individual farmer can receive each year or reducing premium subsidy rates, or both limiting premium subsidies and reducing premium subsidy rates.

Congress should consider repealing the 2014 farm bill requirement that any revision to the standard reinsurance agreement not reduce insurance companies' expected underwriting gains and direct the Risk Management Agency to (1) adjust the participating insurance companies' target rate of return to reflect market conditions and (2) assess the portion of premiums that participating insurance companies retain and, if warranted, adjust it.


[Food Safety \(2011-01\)](#)

Congress should consider commissioning the National Academy of Sciences or a blue ribbon panel to conduct a detailed analysis of alternative food safety organizational structures.

Congress should consider formalizing the Food Safety Working Group through statute to help ensure sustained leadership across food safety agencies over time.

Source: GAO. | GAO-20-440SP

Table 9: Open Congressional Actions in the Defense Mission Area

Mission Area: Defense			
	Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
	Navy Shipbuilding (2017-18)	GAO-20-2	Save billions of dollars
	Foreign Military Sales Administrative Account (2019-19)	GAO-18-401	Save tens of millions of dollars annually
	Joint Basing (2013-20)	GAO-14-577	Determine whether joint bases are achieving department goals
	Stabilization, Reconstruction, and Humanitarian Assistance Efforts (2012-06)	GAO-12-359	Prevent overlap with civilian agencies

Source: Department of Defense/
Helene C. Stikkel. I GAO-20-440SP

Area name (links to *Action Tracker*)

Action summary and status, when partially addressed

[Navy Shipbuilding \(2017-18\)](#)

Congress should consider developing an oversight mechanism for evaluating shipbuilding programs' sustainment cost estimate growth during the acquisition process, with requirements for the Navy to: (1) report sustainment cost estimate growth information to Congress and (2) reassess shipbuilding programs that are experiencing a high level of sustainment cost estimate growth.

Appendix V: Open Congressional Actions, by Mission

Foreign Military Sales Administrative Account (2019-19)

Congress should consider redefining what can be considered an allowable expense to be charged from the administrative account.

Partially Addressed: While some legislative action has been taken toward redefining what can be charged from the Foreign Military Sales (FMS) administrative account, as GAO recommended in May 2018, no related legislation has yet been enacted. In July 2019, the House passed the National Defense Authorization Act for Fiscal Year 2020 (H.R. 2500), which in Sections 1282(e) and 1283(a)-(b) included provisions responsive to this recommendation. Specifically, Section 1282(e) would have amended the Arms Export Control Act to remove an exclusion from the definition of administrative expenses related to military pay and unfunded civilian retirement and other benefits. Sections 1283(a) and (b) would have required the Department of Defense (DOD) to review and report to Congress on options for expanding the use of FMS administrative fees. However, the Senate version of this legislation was enacted without these provisions included.

Two additional legislative efforts that would address this recommendation have been referred to committee. The Return Expenses Paid and Yielded Act, which was introduced in the House in February 2019, included the same provisions as H.R. 2500. Also, in July 2019, the Acting on the Annual Duplication Report Act of 2019 was introduced in the Senate, which would require DOD to assess and report on (1) any expenses incurred by the U.S. government in operating the FMS program that are not paid for by the administrative fee, (2) their estimated annual cost, (3) the costs and benefits of funding such expenses, and (4) any legislative changes needed to allow the FMS administrative fee to pay for such expenses.

GAO cannot predict the exact value of the additional expenses that would be covered through any such provisions because it is unclear how Congress may redefine what is considered an administrative expense. However, GAO estimates redefining such expenses could enhance federal revenue by at least in the tens of millions of dollars annually.

Joint Basing (2013-20)

Congress should consider directing the Assistant Secretary of Defense for Energy, Installations, and Environment, in collaboration with the military services and joint bases, to evaluate the purpose of the program and determine whether the current goals, as stated in the 2005 Base Realignment and Closure Commission recommendation, are still appropriate, or whether goals should be revised; communicate these goals to the military services and joint bases and adjust program activities accordingly; provide direction to the joint bases on requirements for meeting program goals, including determining reporting requirements and milestones; and determine any next steps for joint basing, including whether to expand it to other installations.


Stabilization, Reconstruction, and Humanitarian Assistance Efforts (2012-06)

Congress should consider amending the legislation that supports the Overseas Humanitarian, Disaster, and Civic Aid-funded humanitarian assistance program—the Department of Defense's (DOD) largest humanitarian assistance program—to more specifically define DOD's role in humanitarian assistance, taking into account the roles and similar types of efforts performed by the civilian agencies.

Source: GAO. | GAO-20-440SP

Appendix V: Open Congressional Actions, by Mission


Table 10: Open Congressional Actions in the Economic Development Mission Area

Mission Area: Economic Development		
Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
 <p>Treasury's Foreclosure Prevention Efforts (2016-17)</p>	<p>GAO-16-351</p>	<p>Make \$6 billion in previously deobligated Treasury funds available for other use</p>
<p>Area (links to <i>Action Tracker</i>)</p> <p>Treasury's Foreclosure Prevention Efforts (2016-17)</p>	<p>Action summary and status, when partially addressed</p> <p>Congress should consider rescinding any excess Making Home Affordable balances that the Department of the Treasury deobligates and does not move into the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets.</p>	

Source: PhotoDisc. | GAO-20-440SP

Source: GAO. | GAO-20-440SP

Table 11: Open Congressional Actions in the Energy Mission Area

Mission Area: Energy		
 Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
DOE's Treatment of Hanford's Low-Activity Waste (2018-17)	GAO-17-306	Save tens of billions of dollars over decades
Strategic Petroleum Reserve (2015-15)	GAO-18-477	Enhance revenue by better managing potentially excessive reserve assets
U.S. Enrichment Corporation Fund (2015-16)	GAO-15-404SP	Save \$1.7 billion
Advanced Technology Vehicles Manufacturing Loan Program (2014-13)	GAO-14-343SP	Save \$4.3 billion
Oil and Gas Resources (2011-45)	GAO-11-318SP	Addressing actions in this area could result in more than \$1.7 billion in additional revenues over 10 years

Source: ©Corbis. | GAO-20-440SP

Area (links to *Action Tracker*)

Action summary and status, when partially addressed

[DOE's Treatment of Hanford's Low-Activity Waste \(2018-17\)](#)

Congress should consider clarifying, in a manner that does not impair the regulatory authorities of the Environmental Protection Agency and the state of Washington, the Department of Energy's authority at Hanford to determine, in consultation with the Nuclear Regulatory Commission, whether portions of the supplemental low-activity waste can be managed as a waste type other than high-level waste.

[Strategic Petroleum Reserve \(2015-15\)](#)

Congress may wish to consider setting a long-range target for the size and configuration of the Strategic Petroleum Reserve (SPR) that takes into account projections for future oil production, oil consumption, the efficacy of the existing SPR to respond to domestic supply disruptions, and international obligations.

[U.S. Enrichment Corporation Fund \(2015-16\)](#)

Congress may wish to permanently rescind the entire \$1.7 billion balance of the U.S. Enrichment Corporation Fund.

[Advanced Technology Vehicles Manufacturing Loan Program \(2014-13\)](#)

Congress may wish to consider rescinding all or part of the remaining \$4.3 billion in credit subsidy appropriations, unless the Department of Energy can demonstrate a demand for new Advanced Technology Vehicles Manufacturing loans and viable applications.

[Oil and Gas Resources \(2011-45\)](#)

Congress may need to take action to require the Department of the Interior (Interior) to establish an annual production incentive fee or similar fee for nonproducing leases.

Congress may wish to provide additional guidance or take additional actions to direct Interior to improve its oversight of federal lands and waters and the revenues derived from production of oil and gas if Interior chooses not to take any action on its study examining how other oil and gas resource owners select fiscal parameters for leasing and adjusting oil and gas royalty rates.

Source: GAO. | GAO-20-440SP

Table 12: Open Congressional Actions in the General Government Mission Area

Mission Area: General Government		
Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
 <p>Source: PhotoDisc. GAO-20-440SP</p>	Ginnie Mae's Mortgage-Backed Securities Program (2020-21)	GAO-19-191 Save tens of millions of dollars annually
	Foreign Asset Reporting (2019-06)	GAO-19-180 Reduce costs from reduced reporting overlap and improved agency coordination
	Tax Fraud and Noncompliance (2018-19)	GAO-18-544 Protect revenue
	Use of the Do Not Pay Working System (2017-11)	GAO-17-15 Reduce improper payments and mitigate risk associated with potential duplication
	Financial Regulatory Structure (2016-05)	GAO-16-175 Reduce and better manage fragmentation and overlap of financial institutions, activities, and risks
	Consumer Product Safety Oversight (2015-04)	GAO-15-52 Increase efficiency and effectiveness of consumer product oversight
	Tax Policies and Enforcement (2015-17)	GAO-15-16 Increase revenue by hundreds of millions of dollars
	U.S. Currency (2012-42)	GAO-19-300 Save at least \$9 million dollars annually
	Internal Revenue Service Enforcement Efforts (2012-44)	GAO-08-956 GAO-09-238 Addressing actions in this area may allow collection of billions of dollars in tax revenue and facilitate voluntary compliance
	Simple Tax Return Errors (2011-56)	GAO-10-349 Correct simple tax return errors and reduce IRS's need to conduct audits
	S Corporations (2011-63)	GAO-10-195 Increase revenue by hundreds of millions of dollars annually
	Research Tax Credit (2011-65)	GAO-10-136 Improve targeting of tax credit and reduce foregone revenue
	New Markets Tax Credit (2011-66)	GAO-10-334 Better reach low-income community businesses and reduce program costs
	Governmental Bonds (2011-67)	GAO-08-364 Increase revenue by hundreds of millions of dollars annually

Area (links to *Action Tracker*)

Action summary and status, when partially addressed

[Ginnie Mae's Mortgage-Backed Securities Program \(2020-21\)](#)

Congress should consider requiring Ginnie Mae to evaluate its reliance on contractors and report to Congress on how it would use fee revenue available to hire contractors to also hire in-house staff.

Congress should consider requiring Ginnie Mae to evaluate the adequacy of its current guaranty fee for single-family mortgage-backed securities and report to Congress with recommendations, if any, on revising the fee, such as by adopting standards under which the fee should be determined.

**Appendix V: Open Congressional Actions, by
Mission**

Foreign Asset Reporting (2019-06)	<p>Congress should consider amending the Internal Revenue Code, Bank Secrecy Act of 1970, and other statutes, as needed, to address overlap in foreign financial asset reporting requirements for the purposes of tax compliance and detection and prevention of financial crimes, such as by aligning the types of assets to be reported and asset reporting thresholds and ensuring appropriate access to the reported information.</p>
Tax Fraud and Noncompliance (2018-19)	<p>Congress should consider legislation to require that returns prepared electronically but filed on paper include a scannable code printed on the return.</p> <p>Partially Addressed: No legislation enacted as of March 2020. In July 2019, a bill was introduced containing a provision which, if enacted, would have imposed this requirement as GAO recommended in July 2018, but as of March 2020 this legislation has not passed out of committee (section 6 of S. 2175). Requiring returns prepared electronically but filed on paper to include a scannable code would allow the Internal Revenue Service (IRS) to scan and digitize information from these returns. It could also strengthen IRS's tax enforcement efforts, resulting in increased compliance revenue.</p>
Use of the Do Not Pay Working System (2017-11)	<p>Congress should consider amending the Social Security Act to explicitly allow the Social Security Administration to share its full death file with Treasury for use through the Do Not Pay working system.</p>
Financial Regulatory Structure (2016-05)	<p>Congress should consider whether additional changes to the financial regulatory structure are needed to improve (1) the efficiency and effectiveness of oversight; (2) the consistency of consumer and investor protections; and (3) the consistency of financial oversight for similar institutions, products, risks, and services.</p> <p>Partially Addressed: As of March 2020, no new legislation has been introduced that would address GAO's suggested action. In February 2019, legislation was enacted that partially addresses GAO's suggested action. On February 15, 2019, the Consolidated Appropriations Act, 2019 (Pub. L. No. 116-6) was signed by the President and contains provisions that allow the Securities and Exchange Commission and the Commodity Futures Trading Commission to use funds for the interagency funding and sponsorship of a joint advisory committee to advise on emerging regulatory issues. Such a committee may help reduce some of the overlap in the oversight of the securities and commodities markets.</p> <p>In addition, on May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act (Pub. L. No. 115-174) was signed into law. The law helps to reduce one component of the fragmented regulatory structure and to improve the consistency of oversight for similar products, as GAO suggested in February 2016. Specifically, the law helps to address fragmentation in insurance oversight. It requires federal agencies involved in insurance regulation and the Federal Insurance Office that take a position or reasonably intend to take a position to achieve consensus with state insurance regulators when they negotiate on insurance issues before any international forum of financial regulators or supervisors. They must also create an advisory committee to discuss and report on insurance policy issues including international issues.</p> <p>One other bill was introduced during the 115th Congress that could also help address fragmentation and overlap in the financial regulatory system. HR 4790, the Volcker Rule Regulatory Harmonization Act, was introduced in January 2018. The Volcker Rule generally prohibits banking entities from engaging in proprietary trading or sponsoring a hedge fund or private equity fund. The bill would help to reduce fragmentation and overlap in agencies' authorities by granting exclusive rulemaking authority under the Volcker Rule to the Board of Governors of the Federal Reserve System. Currently, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, and the Commodity Futures Trading Commission also have regulatory authority under the Volcker Rule.</p> <p>Each of these actions could help to reduce some of the areas of fragmentation and overlap in the financial regulatory structure. As GAO suggested in February 2016, some examples of actions</p>

**Appendix V: Open Congressional Actions, by
Mission**

Congress could consider to help reduce fragmentation and overlap in the financial regulatory structure include consolidating the number of federal agencies involved in overseeing the safety and soundness of depository institutions, combining the entities involved in overseeing the securities and derivatives markets, transferring the remaining prudential regulators' consumer protection authorities over large depository institutions to the Consumer Financial Protection Bureau, and determining the optimal role for the federal government in insurance regulation, among other considerations. Without additional actions, fragmentation and overlap in the financial regulatory structure will continue to create challenges related to the efficient and effective oversight of financial institutions and the consistency of consumer protections.

Congress should consider whether legislative changes are necessary to align the Financial Stability Oversight Council's authorities with its mission to respond to systemic risks.

Consumer Product Safety Oversight (2015-04)

Congress should consider transferring the oversight of the markings of toy and imitation firearms in section 5001 of title 15 of the U.S. Code from the Department of Commerce's National Institute of Standards and Technology to the Consumer Product Safety Commission.

Congress should consider establishing a formal comprehensive oversight mechanism for consumer product safety agencies to address crosscutting issues as well as inefficiencies related to fragmentation and overlap such as communication and coordination challenges and jurisdictional questions between agencies. Different types of formal mechanisms could include, for example, creating a memorandum of understanding to formalize relationships and agreements or establishing a task force or interagency work group. As a starting point, Congress may wish to obtain agency input on options for establishing more formal coordination.

Tax Policies and Enforcement (2015-17)

Congress should consider revisiting the use of individual retirement accounts (IRA) to accumulate large balances and considering ways to improve the equity of the existing tax expenditure on IRAs. Options could include limits on (1) the types of assets permitted in IRAs, (2) the minimum valuation for an asset purchased in an IRA, or (3) the amount of assets that can be accumulated in IRAs and employer-sponsored plans that get preferential tax treatment.

Partially Addressed: No legislation has been enacted limiting account owner accumulations as of March 2020. In its October 2014 report, GAO found that individuals with limited, occupationally related opportunities could engage in sophisticated investment strategies and accumulate considerable tax-preferred wealth in IRAs and subsequently suggested to Congress legislative options. The Senate Finance Committee held a hearing on a range of IRA policy issues in September 2014 for which GAO provided a statement for the record that covered preliminary data on IRA balances.

The Setting Every Community Up for Retirement Enhancement Act of 2019, enacted in December 2019 as division O of the Further Consolidated Appropriations Act, 2020, amended a number of requirements related to retirement accounts (Public Law 116-94). For example, section 401 limits inherited beneficiaries' ability to continue tax deferral to 10 years beyond the account owner's death. This provision somewhat reduces the long-term financial benefits of accumulating large balances in IRA accounts.

However the act did not adopt any of the other limits GAO identified in its October 2014 report. Without legislation, the intended broad-based tax benefits of IRAs are likely to continue to be skewed toward a select group of individuals.

U.S. Currency (2012-42)

Congress should consider amending the law to provide the Secretary of the Treasury with the authority to alter the metal composition of coins, if the new metal compositions reduce the cost of coin production and do not affect the size, weight, appearance, or electromagnetic signature of the coins.

**Appendix V: Open Congressional Actions, by
Mission**

**Internal Revenue Service
Enforcement Efforts (2012-
44)**

To help improve taxpayer compliance, Congress may wish to make owners of rental real estate subject to the same payment reporting requirements regardless of whether they engaged in a trade or business under current law.

To help improve taxpayer compliance, Congress may wish to require payers to report service payments to corporations, thereby reducing payers' burden to determine which payments require reporting.

**Simple Tax Return Errors
(2011-56)**

Congress may want to consider granting the Internal Revenue Service (IRS) broader math error authority, with appropriate safeguards against misuse of that authority, to correct errors during tax return processing.

Partially Addressed: Congress has expanded IRS's math error authority in certain circumstances, but not as broadly as GAO suggested in February 2010. Section 208 of division Q of the Consolidated Appropriations Act, 2016 (Public Law 114-113 enacted in December 2015) gave IRS the authority to use math error authority if (1) a taxpayer claimed the Earned Income Tax Credit, Child Tax Credit, or the American Opportunity Tax Credit (AOTC) during the period in which a taxpayer is not permitted to claim such credit as a consequence of either having made a prior fraudulent or reckless claim; or (2) a taxpayer omitted information required to be reported because the taxpayer made prior improper claims of the Child Tax Credit or the AOTC.

In addition, Congress expanded math error authority for the First-Time Homebuyer Credit in November 2009. While expanding math error authority is consistent with what GAO suggested in February 2010, GAO maintains that a broader authorization of math error authority with appropriate controls would enable IRS to correct obvious noncompliance, would be less intrusive and burdensome to taxpayers than audits, and would potentially help taxpayers who underclaim tax benefits to which they are entitled. If Congress decides to extend broader math error authority to IRS, controls may be needed to ensure that this authority is used properly such as requiring IRS to report on its use of math error authority.

The administration also requested that Congress expand IRS's math error authority as part of the President's budget proposal for fiscal year 2021. Specifically, the administration requested authority to correct a taxpayer's return in the following circumstances: (1) the information provided by the taxpayer does not match the information contained in government databases; (2) the taxpayer has exceeded the lifetime limit for claiming a deduction or credit; or (3) the taxpayer has failed to include with his or her return certain documentation that is required to be included on or attached to the return. As of March 2020, Congress had not provided IRS with such authority. GAO continues to believe that Congress should broaden IRS's math error authority with appropriate safeguards to help reduce the tax gap, which is the difference between tax amounts that taxpayers should have paid and what they actually paid.

S Corporations (2011-63)

Congress could require S corporations to use information already available to them to calculate shareholders' basis as completely as possible and report it to shareholders and IRS.

**Research Tax Credit (2011-
65)**

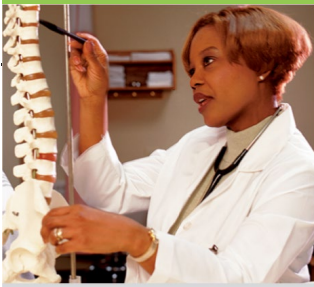
Congress could eliminate the regular credit and add a minimum base amount (equal to 50 percent of a taxpayer's current spending) to the method for computing the alternative simplified credit.

Appendix V: Open Congressional Actions, by Mission

New Markets Tax Credit (2011-66)	Congress should consider offering grants in lieu of credits to Community Development Entities if it extends the program again. If it does so, Congress should require the Department of the Treasury to gather appropriate data to assess whether and to what extent the grant program increases the amount of federal subsidy provided to low-income community businesses compared to the New Markets Tax Credit; how costs for administering the program incurred by the Community Development Financial Institutions Fund, Community Development Entities, and investors would change; and whether the grant program otherwise affects the success of efforts to assist low-income communities. One option would be for Congress to set aside a portion of funds to be used as grants and a portion to be used as tax credit allocation authority under the current structure of the program to facilitate comparison of the two program structures.
Governmental Bonds (2011-67)	Congress should consider whether facilities, including hotels and golf courses, that are privately used should be financed with tax-exempt governmental bonds.

Source: GAO. | GAO-20-440SP

Table 13: Open Congressional Actions in the Health Mission Area

Mission Area: Health			
	Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
	Medicare Payments by Place of Service (2016-30)	GAO-16-189	Save billions of dollars annually
	DOD U.S. Family Health Plan (2015-06)	GAO-14-684	Save millions of dollars from fiscal year 2021 to 2022
	Medicare Payments to Certain Cancer Hospitals (2015-19)	GAO-15-199	Save hundreds of millions of dollars annually
	Medicaid Demonstration Waivers (2014-21)	GAO-08-87	Save tens of billions of dollars from 2019 to 2022
	Medicaid Supplemental Payments (2013-26)	GAO-13-48	Save hundreds of millions or billions of dollars
	Medicare's Health Care Payments (2011-74)	GAO-09-647	Achieve cost savings in jointly furnished services

Source: Dynamic Graphics. | GAO-20-440SP

Area (links to *Action Tracker*)

[Medicare Payments by Place of Service \(2016-30\)](#)

Action summary and status, when partially addressed

Congress should consider directing the Secretary of Health and Human Services to equalize payment rates between settings for evaluation and management office visits and other services that the Secretary deems appropriate and return the associated savings to the Medicare program.

Partially Addressed: As of March 2020, no additional legislative action has been identified that would address GAO's December 2015 suggestion. While Congress enacted legislation in November 2015 to exclude services furnished by off-campus hospital outpatient departments from higher payment effective January 1, 2017, this exclusion, as amended, does not apply to services furnished by providers that were under construction or billing as hospital outpatient departments prior to November 2015. All providers billing as hospital outpatients during GAO's study (issued in December 2015) continue to be paid under the higher rate. In addition, this exclusion does not apply to services provided by on-campus hospital outpatient departments.

However, the Centers for Medicare & Medicaid Services (CMS) has taken some action. In November 2018, CMS issued a final rule adopting payment changes—that has since been partially overturned under a decision by a federal district court, which CMS has appealed—capping payment rates for certain services furnished by the off-campus hospital outpatient departments that existed or were under construction in 2015 at the physician fee schedule rate. Since these services furnished by these off-campus hospital outpatient departments were paid under a higher rate, the payment cap, which was to be implemented over 2 years, was intended to equalize payment rates for certain clinical visits between settings. In 2019, CMS applied 50 percent of the payment reduction and in 2020 and subsequent years planned to apply 100 percent of the payment reduction. The rule applied to specific clinical visits. Other services would continue to be paid at the higher rate. However, a federal district court overturned the payment cap in September 2019. CMS has appealed that ruling and adopted a final rule in November 2019 that will implement the payment reduction in 2020. A lawsuit challenging the November 2019 final rule has been filed.

GAO plans to continue to monitor congressional action and any additional agency actions, including actions to equalize payment rates that Medicare pays for evaluation and management services in all hospital outpatient departments regardless of whether they are deemed on campus or off campus. Until such action is taken to equalize payment rates, Medicare pays for certain health care services, as GAO

**Appendix V: Open Congressional Actions, by
Mission**

suggested in December 2015, Medicare and beneficiaries could continue to pay more for the same health care service depending on where the service is performed.

DOD U.S. Family Health Plan (2015-06)

Congress should terminate the Secretary of Defense's authority to contract with U.S. Family Health Plan (USFHP) designated providers in a manner consistent with a reasonable transition of affected USFHP enrollees into TRICARE's regional managed care program or other health care programs, as appropriate.

Medicare Payments to Certain Cancer Hospitals (2015-19)

Congress should consider requiring Medicare to pay prospective payment system (PPS)-exempt cancer hospitals (PCH) as it pays PPS teaching hospitals for both inpatient and outpatient services, or provide the Secretary of Health and Human Services with the authority to otherwise modify how Medicare pays PCHs, and provide that all forgone outpatient payment adjustment amounts be returned to the Supplementary Medical Insurance Trust Fund.

Medicaid Demonstration Waivers (2014-21)

Congress could consider requiring the Secretary of Health and Human Services to improve the Medicaid demonstration review process, through steps such as improving the review criteria, better ensuring that valid methods are used to demonstrate budget neutrality, and documenting and making clear the basis for the approved limits. GAO had previously recommended that the Department of Health and Human Services (HHS) take these actions. GAO elevated these actions for Congress to consider after HHS disagreed with the need to improve budget neutrality criteria, methods, and documentation of the basis for approved spending limits.

Partially Addressed: No legislative action taken. As of March 2020, no legislation has been introduced in the 116th Congress, and no legislation was enacted in the 115th Congress, to require HHS to improve the Medicaid demonstration review process. Over the past several years, however, the Centers for Medicare & Medicaid Services (CMS), within HHS, has taken actions that improve some aspects of the Medicaid demonstration review process.

In May 2016, the agency began implementing new policies to curtail some problematic methods of determining budget neutrality as states renewed their demonstrations. In August 2018, CMS issued written guidance on the process and criteria the agency uses to determine whether section 1115 demonstrations are budget neutral, including the policies begun in 2016. The guidance was communicated as a State Medicaid Directors Letter and is available on the CMS website.

These new policies and related guidance letter partially address the recommendation; for example, they place limits on the amount of unspent funds under demonstration spending limits that states are allowed to carry over from previous years. Additionally, the letter further describes the process and methods for determining budget neutrality. GAO maintains that more improvements are needed in the methods used to determine budget neutrality of section 1115 demonstrations. In particular, relying on a state's actual spending rather than hypothetical cost estimates could potentially result in significant federal savings

Medicaid Supplemental Payments (2013-26)

Congress should consider requiring the Administrator of the Centers for Medicare & Medicaid Services (CMS) to improve state reporting of non-Disproportionate Share Hospital (DSH) supplemental payments, including requiring annual reporting of payments made to individual facilities and other information that the agency determines is necessary to oversee non-DSH supplemental payments.

Partially Addressed: No legislative action has been identified. In November 2019, CMS issued a proposed rule that the agency said would promote state accountability, improve federal oversight, and strengthen fiscal integrity of the Medicaid program. Among other things, the proposed rule would require states to report on non-DSH supplemental payments on a facility-specific basis, as GAO suggested in November 2012. Previously CMS issued guidance to collect additional information on certain Medicaid supplemental payments and develop templates for analyzing the reporting, but GAO found limitations with this action. GAO will continue to monitor congressional action and the status of

Appendix V: Open Congressional Actions, by Mission

the proposed rule, as well as review a final rule, if one is issued, to determine the extent to which it addresses the matter. Enhancing state reporting should enable CMS to improve oversight of these payments, which could result in financial savings to Medicaid to the extent that CMS identifies inappropriate payments and curtails states' ability to make them.

Congress should consider requiring the CMS Administrator to clarify permissible methods of calculating non-DSH supplemental payments.

Partially Addressed: No legislative action identified. In November 2019, CMS issued a proposed rule that the agency said would promote state accountability, improve federal oversight, and strengthen fiscal integrity of the Medicaid program. Among other things, the proposed rule specifies data sources, data standards, and acceptable methods for demonstrating compliance for non-DSH supplemental payment calculations, as GAO suggested in November 2012. Previously CMS issued guidance to collect additional information on certain Medicaid supplemental payments and develop templates for analyzing the reporting, but GAO found limitations with this action. GAO will continue to monitor congressional action and the status of the proposed rule, as well as review a final rule, if one is issued, to determine the extent to which it addresses the matter. Enhancing the guidance for states on calculating non-DSH supplemental payments should enable CMS to improve oversight of these payments, which could result in financial savings to Medicaid to the extent that CMS identifies inappropriate payments and curtails states' ability to make them.

Congress should consider requiring the CMS Administrator to require states to submit an annual independent certified audit verifying state compliance with permissible methods for calculating non-DSH supplemental payments.

Medicare's Health Care Payment (2011-74)

Congress could exempt from the budget neutrality requirement savings attributable to policies that reflect efficiencies occurring when services are furnished together.

Partially Addressed: Congress has exempted savings from the implementation of multiple procedure payment reductions (MPPR) for certain diagnostic imaging and therapy services from the budget neutrality requirement, as GAO suggested in July 2009. However, as of March 2020, other policies that may result in a reduction in payments for the professional component for imaging services remained subject to budget neutrality; "savings" from these services are redistributed to other services and do not accrue to the Medicare program.

The Consolidated Appropriations Act of 2016 revised the payment reduction for the professional component of multiple diagnostic imaging services from 25 percent to 5 percent beginning on January 1, 2017, and exempted the reduced expenditures attributable to this MPPR from the budget neutrality provision. MPPRs or other policies that may result in a reduction to payments for the technical component for diagnostic cardiovascular and ophthalmology services continue to be subject to budget neutrality for 2020. Unless Congress exempts from the budget neutrality requirement savings realized from the implementation of all MPPRs or other policies that reflect efficiencies occurring when services are furnished together, these savings will not accrue to the Medicare program.

Source: GAO. | GAO-20-440SP

Table 14: Open Congressional Actions in the Homeland Security/Law Enforcement Mission Area

Mission Area: Homeland Security/Law Enforcement		
Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
Homeland Security Grants (2012-17)	GAO-12-342SP	Ensure grant funds are used efficiently and effectively to build national preparedness
Immigration Inspection Fee (2012-49)	GAO-12-342SP	Increase revenue by hundreds of millions of dollars



Source: PhotoDisc. | GAO-20-440SP

Area (links to *Action Tracker*)

Action summary and status, when partially addressed

Homeland Security Grants (2012-17)

Congress may want to consider requiring the Department of Homeland Security (DHS) to report on the results of the Federal Emergency Management Agency's (FEMA) efforts to identify and prevent unnecessary duplication within and across its preparedness grant programs, and consider these results when making future funding decisions for these programs.

Once FEMA has completed its assessment, Congress may wish to consider limiting the use of federal preparedness grant programs to fund only projects to fill identified, validated, and documented capability gaps that may (or may not) include maintaining existing capabilities developed.

Partially Addressed: In March 2011, GAO reported that FEMA's efforts to develop and implement a comprehensive, measurable, national preparedness assessment of capabilities and gaps were not yet complete and suggested that Congress consider limiting preparedness grant funding until FEMA completes a national preparedness assessment of capability gaps at each level of government based on tiered, capability-specific performance objectives to enable prioritization of grant funding. In April 2011, Congress passed the fiscal year 2011 appropriations act for DHS, which reduced funding for FEMA preparedness grants by \$875 million from the amount requested in the President's fiscal year 2011 budget. The consolidated appropriations act for fiscal year 2012 appropriated \$1.7 billion for FEMA preparedness grants, \$1.28 billion less than requested. The House committee report accompanying the DHS appropriations bill for fiscal year 2012 stated that FEMA could not demonstrate how the use of the grants had enhanced disaster preparedness.

In March 2012 testimony, GAO reported that until such a framework is in place, FEMA will not have a basis to operationalize and implement its conceptual approach for assessing federal, state, and local preparedness.

As of March 2020, no further legislative action limiting the use of preparedness grants has been identified. FEMA has made progress in completing a national preparedness assessment for state and local jurisdictions. In 2018, FEMA required jurisdictions to begin using the new methodology to establish standard quantitative capability targets and assess core capabilities within the response and recovery mission areas. In 2019, FEMA continued with its implementation and required jurisdictions to establish standard capability targets for capabilities in the prevention, protection, and mitigation mission areas. In addition, in 2019, FEMA initiated an effort to assess the federal government's emergency management capacity, and issued its *2019 National Threat and Hazard Identification and Risk Assessment (National THIRA): Overview and Methodology*, describing its approach to completing a national-level risk assessment (i.e., a National THIRA), which will be included in the 2020 National Preparedness Report. Until FEMA implements its new methodology and begins to more fully assess

Appendix V: Open Congressional Actions, by Mission

both federal and jurisdictional capabilities, Congress may wish to consider limiting the use of preparedness grants.

Immigration Inspection Fee (2012-49)

Congress may wish to require the Secretary of the Department of Homeland Security to adjust the air passenger immigration inspection fee as needed so that collections are aligned with total inspection costs, if it is determined that total immigration fee collections do not cover total immigration inspection costs.


Partially Addressed: As of March 2020, Congress had not enacted legislation to adjust the air passenger immigration fee, as GAO suggested in February 2012. However, Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) identified the extent to which collections are aligned with total immigration inspection costs. ICE reported in its 2012 fee review that, based on its legal review of the Immigration and Nationality Act, it is authorized to use its air passenger and sea vessel passenger inspection collections to reimburse its immigration inspection activities.

ICE's and CBP's combined fiscal year 2012 immigration inspection costs exceeded collections by almost \$175 million, and neither agency received enough collections to cover its respective costs. The *Budget of the U.S. Government, 2021* proposed increasing the immigration inspection user fee, including the air passenger inspection fee, by \$2. The proposal would also authorize CBP to adjust the fee in the future without further statutory changes. The administration estimated this would increase annual fee collections by hundreds of millions of dollars.

Because ICE and CBP use annual appropriations, as authorized, to bridge any gaps between immigration costs and immigration fee collections, if Congress intends for the immigration inspection fees to recover the full costs of inspections, it should consider increasing these fees so that collections are aligned with total inspection costs. Until such steps are taken, ICE and CBP will likely continue to use annual appropriations to fund activities that they have statutory authority to fund with user fees.

Source: GAO. | GAO-20-440SP

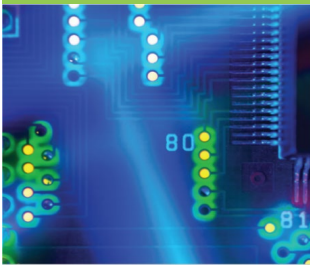
Table 15: Open Congressional Actions in the Income Security Mission Area

Mission Area: Income Security			
	Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
	Railroad Retirement Board Continuing Disability Reviews (2018-23)	GAO-18-287	Save millions of dollars annually
	Disability and Unemployment Benefits (2014-08)	GAO-14-343SP	Save about \$2.2 billion over 10 years
	Federal Employees' Compensation and Unemployment Benefits (2014-09)	GAO-13-386	Reduce improper payments
	Social Security Offsets (2011-80)	GAO-05-786T	Save between \$3.5 billion and \$10.5 billion over 10 years
Area (links to <i>Action Tracker</i>)	Action summary and status, when partially addressed		
Railroad Retirement Board Continuing Disability Reviews (2018-23)	Congress should consider granting the board access to the Department of Health and Human Services' quarterly earnings information from the National Directory of New Hires database.		
Disability and Unemployment Benefits (2014-08)	Congress should consider passing legislation to require the Social Security Administration to offset Disability Insurance benefits for any Unemployment Insurance benefits received in the same period.		
Federal Employees' Compensation and Unemployment Benefits (2014-09)	Congress should consider granting the Department of Labor the additional authority to access wage data to help verify claimants' reported income and help ensure the proper payment of benefits.		
Social Security Offsets (2011-80)	Congress could consider giving the Internal Revenue Service the authority to collect the information that the Social Security Administration needs on government pension income to administer the Government Pension Offset and the Windfall Elimination Provision accurately and fairly.		

Source: PhotoDisc. | GAO-20-440SP

Source: GAO. | GAO-20-440SP

Table 16: Open Congressional Actions in the Information Technology Mission Area

Mission Area: Information Technology			
	Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
	Interoperable Radio Communications Systems (2014-10)	GAO-09-133	Improve the interoperability of radio communication systems and achieve cost savings
	Dissemination of Technical Research Reports (2013-10)	GAO-13-99	Reduce overlap between information dissemination services
	Geospatial Investments (2013-11)	GAO-15-193	Increase coordination between government agencies and save millions of dollars

Source: PhotoDisc. | GAO-20-440SP

Area (links to *Action Tracker*)

[Interoperable Radio Communications Systems \(2014-10\)](#)

Action summary and status, when partially addressed

Congress should consider requiring the Departments of Homeland Security (DHS), Justice (DOJ), and the Treasury (Treasury) to collaborate on the development and implementation of a joint radio communications solution that specifically requires them to establish an effective governance structure that includes a formal process for making decisions and resolving disputes, define and articulate a common outcome for this joint effort, and develop a joint strategy for improving radio communications.

Partially Addressed: As of March 2020, legislation that would require DHS, DOJ, and Treasury to collaborate on the development and implementation of an interoperable radio communications solution had not been introduced or enacted, as GAO suggested in December 2008 and again in April 2014. However, in 2012, Congress passed, and the President signed, the Middle Class Tax Relief and Job Creation Act of 2012 that included a provision to improve interoperable radio communications among public safety officials nationwide. Specifically, the act provided a source of funding for, among other things, the development of a nationwide, interoperable public safety broadband network to enable wireless data and voice communications among public safety officials. Further, the act created the First Responder Network Authority (FirstNet) and required it to establish the nationwide public safety broadband network.

Since the 2012 act's passage, FirstNet has made progress in establishing the nationwide public safety broadband network. Specifically, in January 2015, FirstNet officials began consulting with officials from other federal agencies (including those from DHS, DOJ, and Treasury) to inform its efforts to plan and establish the network. In March 2017, FirstNet awarded a contract for the design, development, production, operation, and evolution of the network. The contract outlines a phased approach for deploying the network's capabilities and coverage through five initial operating capability phases that build to a final operating capability expected by March 2023. According to DOJ officials, the network may not be able to fully support its mission-critical voice operations until sometime in 2022.

Given that progress has been made towards developing and implementing a nationwide public safety broadband network that the three departments can use to improve radio communications, the focus of this action is to monitor whether each of the three departments will use the nationwide public safety broadband network to support its mission-critical operations and address its fragmented approaches to improving the interoperability of radio communications systems.

However, as GAO previously reported, use of the broadband network by public safety users will be voluntary. In addition, DHS, DOJ, and Treasury officials stated that their respective departments have not determined whether they will be able to use the network for mission-critical operations because key mission-critical voice capabilities have not been developed and deployed. Therefore, until the three

**Appendix V: Open Congressional Actions, by
Mission**

departments have the information they need to make a decision to use the nationwide public safety broadband network to support mission-critical voice capabilities, it is uncertain if these agencies will remedy their fragmented approaches to improving interoperable radio communications.

**Dissemination of
Technical Research
Reports (2013-10)**

Congress should consider examining the appropriateness and viability of the fee-based model under which the National Technical Information Service (NTIS) currently operates for disseminating technical information to determine whether the use of this model should be continued.

Partially Addressed: As of March 2020, Congress had taken a number of actions that affect the NTIS fee-based model for disseminating technical information. Specifically, for the past 5 fiscal years and in the current Consolidated Appropriations Act, 2020, NTIS is prohibited from charging customers for reports generated by legislative branch offices unless the agency tells customers how an electronic copy of the report can be accessed or downloaded for free online. The act further states that, if a customer still requires such a report from NTIS, the agency should not charge more than what is needed to recover the cost of processing, reproducing, and delivering the document requested. It remains to be seen whether these requirements will be continued under the yet to be introduced House and Senate bills making appropriations for the Department of Commerce (Commerce) for fiscal year 2021.


Commerce also took actions. For example, NTIS developed and launched the Public Access National Technical Reports Library service to allow the public to have free and open access to its electronic technical reports, associated bibliographic records, and other selected research services, and a linkage to report data. In addition, Commerce included on the NTIS website language stating that the technical reports and documents in its repository may be available online for free either from the issuing federal agency, the U.S. Government Publishing Office's Federal Digital System website, or through search engines. Further, the Secretary of Commerce established a new strategic direction for NTIS to expand access to the department's and the federal government's data resources and make it easier for businesses, government, taxpayers, and communities to access, analyze, and use the data. The department stated that NTIS is realigning to focus on the data mission and that the department established an oversight board to help guide NTIS in this new direction, which includes a review of all ongoing work, as well as criteria for future work. The department also noted that NTIS is transitioning away from services that do not align with its new data role and priorities. Moreover, the department stated that, by the end of fiscal year 2020, all NTIS work is expected to support its new strategic direction.

While the department is taking action intended to help increase the availability of technical data, changing practices for disseminating and accessing technical information produced by federal agencies, which have been driven in large part by the internet, call into question the appropriateness or viability of NTIS's role as a self-financing collector and disseminator of such information. In light of this, a reconsideration of the role is warranted to determine whether NTIS's statutorily defined functions are still necessary and, if so, to ensure that the redirection of NTIS by the Secretary of Commerce to a federal data services provider is carried out in a way that best serves the public's interests.

**Geospatial Investments
(2013-11)**

Congress should consider assessing the impact of the disclosure restrictions of Section 9 of Title 13 and Section 412 of Title 39 of the U.S. Code in moving toward a national geospatial address database. If warranted, Congress should consider revising those statutes to authorize the limited release of addresses, without any personally identifiable information, specifically for geospatial purposes. Such a change, if deemed appropriate, could potentially result in significant savings across federal, state, and local governments.

Table 17: Open Congressional Actions in the International Affairs Mission Area


Mission Area: International Affairs		
Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
 Cargo Preference for Food Aid (2016-36)	GAO-15-666	Save millions of dollars
Tobacco Taxes (2013-31)	GAO-12-475	Save about \$1.3 billion over 5 years
Overseas Administrative Services (2012-20)	GAO-12-317	Contain costs and reduce duplication of administrative support services overseas

Source: Creatas. | GAO-20-440SP

Area (links to <i>Action Tracker</i>)	Action summary and status, when partially addressed
Cargo Preference for Food Aid (2016-36)	While recognizing that cargo preference serves policy goals established by Congress with respect to the U.S. merchant marine, including maintenance of a fleet capable of serving as a naval and military auxiliary in time of war or national emergency, Congress should consider clarifying cargo preference legislation regarding the definition of "geographic area" to ensure that agencies can fully utilize the flexibility Congress granted to them when it lowered the cargo preference for the food aid requirement.
Tobacco Taxes (2013-31)	<p>Congress, as it continues oversight of the Children's Health Insurance Program Reauthorization Act (CHIPRA), may wish to consider equalizing tax rates on roll-your-own and pipe tobacco.</p> <p>Congress, as it continues oversight of CHIPRA, may wish to consider, in consultation with the Department of the Treasury, options for reducing tax avoidance due to tax differentials between small and large cigars.</p>
Overseas Administrative Services (2012-20)	Congress may wish to consider requiring agencies to participate in International Cooperative Administrative Support Services (ICASS) unless they provide a business case to show that they can obtain these services outside of ICASS without increasing overall costs to the U.S. government or that their missions cannot be achieved within ICASS.

Source: GAO. | GAO-20-440SP

Table 18: Open Congressional Actions in the Social Services Mission Area

Mission Area: Social Services			
	Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
<small>Source: Dynamic Graphics. GAO-20-440SP</small>	Housing Assistance (2012-28)	GAO-12-342SP	Optimize the federal role in rural housing

Area (links to *Action Tracker*)

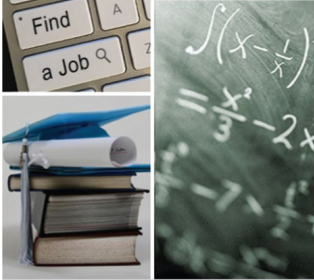
[Housing Assistance \(2012-28\)](#)

Action summary and status, when partially addressed

Congress may wish to consider requiring the Departments of Agriculture (USDA) and Housing and Urban Development (HUD) to examine the benefits and costs of merging those programs that serve similar markets and provide similar products. As a first step, Congress could consider requiring USDA and HUD to explore merging their single-family insured lending programs and multifamily portfolio management programs, taking advantage of the best practices of each and ensuring that targeted populations are not adversely affected.

Source: GAO. | GAO-20-440SP

Table 19: Open Congressional Actions in the Training, Employment, and Education Mission Area

Mission Area: Training, Employment, and Education		
 Area name (links to <i>Action Tracker</i>)	Underlying report (links to report)	Potential benefit
Federal Student Loan Default Rates (2019-28)	GAO-18-163	Protect both borrowers and the billions of dollars annually in federal student aid

Source: GAO. | GAO-20-440SP

Area (links to *Action Tracker*)

[Federal Student Loan Default Rates \(2019-28\)](#)

Action summary and status, when partially addressed

Congress should consider strengthening schools' accountability for student loan defaults, for example, by (1) revising the cohort default rate (CDR) calculation to account for the effect of borrowers spending long periods of time in forbearance during the 3-year CDR period, (2) specifying additional accountability measures to complement the CDR, for example, a repayment rate, or (3) replacing the CDR with a different accountability measure.

Partially Addressed: No legislation has been enacted as of March 2020. In the 116th Congress, legislation has been introduced to revise the cohort default rate calculation, as GAO suggested in April 2018. The College Affordability Act (H.R. 4674), Acting on the Annual Duplication Report Act of 2019 (S. 2175), and Accountability in Student Loan Data Act (H.R. 4662) include provisions that, if enacted, would revise the cohort default rate calculation to change how borrowers who spend long periods in forbearance are accounted for in the calculation. GAO plans to continue to monitor congressional action. Statutory changes to strengthen the cohort default rate, such as by changing how borrowers in forbearance are accounted for, could help further protect borrowers and the billions of dollars of federal student aid the government distributes each year.

Source: GAO. | GAO-20-440-SP

Note: Unless otherwise indicated, actions in these tables are not addressed. These tables provide estimates of cost savings or increased revenue where such information was available. The potential cost savings for implementing individual actions are provided when known, or for implementing multiple actions in an area, when the savings are not attributable to a specific action.

Appendix VI: Additional Information on Programs Identified

This appendix provides additional information on the federal programs or other activities related to the new areas of fragmentation, overlap, duplication, cost savings, or revenue enhancement discussed in this report, including budgetary information when available. “Programs” may include grants, initiatives, centers, loans, and other types of assistance or projects.

This information can provide useful context for the issues we identified, but limitations should be noted. It is not always possible to report budgetary information at the specific program or activity level because agency budgets are not organized by programs, but rather by appropriations accounts. In those instances, we reported the most reliable and available data for the most recent fiscal year or we did not report budgetary information. Further, because this report discusses various programs or activities, each table may report different types of budgetary information, such as obligations, collections, or outlays.¹

Because of the limitations described above, the budgetary information reported in this appendix should not be totaled and does not represent potential cost savings for all programs.

Table 20: Area 1 Army Small Business Engagement: Related Program Information

Agency	Program name	Program description
Department of the Army	Army Futures Command's engagement with small businesses	The Army established the Army Futures Command in June 2018 to consolidate its modernization efforts under one entity and it began initial operations in July 2018. Army Futures Command has taken initial steps to enhance its engagement with small businesses for research and development through several initiatives and others are in development.

Source: GAO analysis of Army information. | GAO-20-440SP

¹An obligation occurs when the government makes a commitment to pay for goods and services ordered or received, such as by placing an order, signing a contract, awarding a grant, or purchasing a service. In contrast, an outlay is the issuance of checks, disbursement of cash, or electronic transfer of funds made to liquidate a federal obligation. For more information on budget terminology, see GAO, *A Glossary of Terms Used in the Federal Budget Process (Supersedes AFMD-2.1.1)*, [GAO-05-734SP](#) (Washington, D.C.: Sept. 1, 2005).

Appendix VI: Additional Information on Programs Identified

Table 21: Area 2 DOD Privatization of Utility Services: Related Program Information

Agency	Program name	Program description
Department of Defense (DOD)	DOD Privatization of Utility Services	Privatized utilities service contracts are contracts to supply utilities—such as electricity, water, natural gas, and wastewater—to military department facilities such as military installations. DOD components awarded 21 new contracts for utilities from fiscal years 2016 through 2018. In total 614 out of 2,590 utility systems on military installations had been privatized worldwide as of December 2019.

Source: GAO analysis of Department of Defense data. | GAO-20-440SP

Table 22: Area 3 SBA's Microloan Program: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 enacted appropriation
Small Business Administration (SBA)	Microloan Program	SBA's Microloan Program integrates microlevel financing with training and technical assistance for women, low-income individuals, minority entrepreneurs, and other small businesses that need small amounts of assistance. SBA is authorized to provide loans of up to \$50,000 to eligible small businesses, through intermediary lending institutions (generally nonprofit lenders). The Microloan Program provides participating lenders, called intermediaries, with loans and grants to help them provide loans, training, and technical assistance to borrowers.	\$50,000,000 (direct loans to intermediaries)
			\$34,500,000 (technical assistance)

Source: GAO analysis of Small Business Administration information. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Table 23: Area 4 Bank Secrecy Act Implementation: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 enacted appropriation
Department of the Treasury - Financial Crimes Enforcement Network (FinCEN)	Bank Secrecy Act (BSA) Administration and Analysis	This activity comprises FinCEN's efforts to develop and issue regulations under the BSA; enforce compliance with the BSA in partnership with regulatory partners and as the primary BSA regulator across numerous industries; receive BSA reports and maintain a database; analyze and disseminate financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign financial intelligence units, and industry; and serve as the U.S. financial intelligence unit and maintain a network of information sharing with such units in partner countries.	\$126,000,000

Source: GAO analysis of Department of the Treasury budget documents. | GAO-20-440SP

Table 24: Area 5 DATA Act Data Governance: Related Program Information

Agency	Program name	Program description
Office of Management and Budget (OMB)	Digital Accountability and Transparency Act of 2014 (DATA Act) Implementation	Develop and maintain a set of data standards for reporting federal spending. These definitions describe what is included in each data element with the aim of ensuring that agency spending data will be consistent and comparable.
Department of the Treasury (Treasury)	DATA Act Implementation	Develop and maintain a data exchange standard with technical specifications that describe the format, structure, tagging, and transmission of each spending data element.

Source: GAO analysis of OMB policy and Treasury technical guidance. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Table 25: Area 6 Federal Agencies' Evidence-Building Activities: Related Program Information

Agency	Examples of fragmentation in evidence-building activities
Corporation for National and Community Service (CNCS)	<p>CNCS has separate offices that are responsible for building specific source of evidence, such as performance information and evaluations. For example, its Office of Research and Evaluation leads the agency's evaluation of its programs.</p> <p>Furthermore, some evidence-building activities are dispersed throughout the agency and occur at multiple organizational levels. For example, CNCS's AmeriCorps State and National program requires grantees to conduct evaluations of their programs.</p>
Department of Education (Education)	<p>Education has separate component agencies or offices that are responsible for building specific sources of evidence, such as performance information, evaluations, and statistics. For example, its Institute of Education Sciences conducts evaluations, and its National Center for Education Statistics produces statistics, for the department.</p> <p>Furthermore, some evidence-building activities are dispersed throughout the department and occur at multiple organizational levels. For example, the Charter Schools Program collects performance information to understand progress towards its goal of increasing high-quality education options, and empowering students and parents to choose an option that meets their needs.</p>
Department of Health and Human Services (HHS)	<p>HHS has separate component agencies or offices that are responsible for building specific sources of evidence, such as performance information, evaluations, and statistics. For example, its Office of the Assistant Secretary for Financial Resources has responsibility for performance information while its Office of the Assistant Secretary for Planning and Evaluation has responsibility for evaluations.</p> <p>Furthermore, some evidence-building activities are dispersed throughout the department and occur at multiple organizational levels. HHS's component agencies generally manage evidence-building activities. The component agencies manage their own offices and programs, which include evidence-building responsibilities. For example, the Office of Planning, Research, and Evaluation within the Administration for Children and Families (ACF) is responsible for ACF-related evidence-building activities.</p>
Department of Labor (DOL)	<p>DOL has separate component agencies or offices that are responsible for building specific sources of evidence, such as performance information, evaluations, and statistics. For example, different organizations at the department level are responsible for certain evidence-building activities such as collecting statistical data, conducting program evaluations, and developing performance information.</p> <p>Furthermore, some evidence-building activities are dispersed throughout the department and occur at multiple organizational levels. For example, the Workforce Innovation Fund requires its grantees to conduct evaluations of their programs to identify effective approaches for improving the public workforce system.</p>
U.S. Agency for International Development (USAID)	<p>USAID has separate offices and operating units at different levels of the organization that are involved in building specific sources of evidence, such as performance information and evaluations. For example, at the agency level, the Bureau for Policy, Planning, and Learning develops policy and establishes requirements for collecting performance information and conducting evaluations.</p> <p>Responsibility for carrying out evidence-building activities is decentralized and dispersed throughout the agency. For example, USAID policy requires each of the agency's missions abroad to monitor the performance, and conduct evaluations, of their efforts.</p>

Source: GAO analysis of agency information. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Note: Evidence-building can involve assessing existing evidence, identifying any new evidence needs, and prioritizing when to fulfill those needs.

Table 26: Area 7 Individual Retirement Accounts: Related Program Information

Agency	Program name	Program description
Department of Labor (DOL), Employee Benefits Security Administration	Office of Exemption Determinations	<ul style="list-style-type: none"> Under the Employee Retirement Income Security Act of 1974, which established Individual Retirement Accounts (IRA), DOL and the Internal Revenue Service (IRS) have dual jurisdiction for rules prohibiting certain transactions.^a A 1978 Executive Order clarified that DOL is responsible for interpretive guidance and has exclusive authority to grant exemptions from the prohibited transaction rules for retirement plans and IRAs.^b DOL evaluates applications using statutory criteria and follows administrative procedures codified in regulations.
Department of the Treasury, IRS	Taxpayer service and enforcement for IRA rules	<ul style="list-style-type: none"> IRAs provide tax advantages for individuals to save for retirement. IRA contributions are subject to annual dollar limits, but there are few restrictions on allowable IRA investments. IRS is responsible for providing information resources for IRA owners and enforcing all IRA tax laws. Four IRS business operating divisions have responsibilities and expertise for IRA enforcement activities. In enforcing prohibited transaction rules, IRS is bound by regulations and exemptions issued by DOL. Noncompliance involving IRAs invested in hard-to-value unconventional assets requires case-by-case audits. From fiscal years 2012 to 2016, IRS audited about 26,000 tax returns with IRA issues.

Source: GAO analysis of DOL and IRS information. | GAO-20-440SP

^aPub. L. No. 93-406, 88 Stat. 829.

^bReorganization Plan No. 4 of 1978, available at <https://www.govinfo.gov/content/pkg/USCODE-2010-title5/pdf/USCODE-2010-title5-app-reorganiz-other-dup102.pdf>.

Appendix VI: Additional Information on Programs Identified

Table 27: Area 8 IRS Third Party Cybersecurity Practices: Related Program Information

Agency	Office name	Office description
Internal Revenue Service (IRS)	Stakeholder Liaison	Stakeholder Liaison works with the paid preparer community to educate preparers about information security risks and guide them through the process of resolving security issues when security incidents are reported. This office is also the intake point for security incident information for paid preparers.
	Cybersecurity	Cybersecurity works to protect taxpayer information and IRS's electronic systems, services, and data from internal and external cybersecurity threats—such as damage to computers, electronic communications systems, or information contained in those systems—by implementing security practices.
	Criminal Investigation	Criminal Investigation reviews security incident reports to determine whether criminal action has occurred and investigates any potential criminal violations of applicable laws. It also investigates large-scale tax schemes and fraud.
	Return Preparer Office	The Return Preparer Office is responsible for matters relating to the registration and the program compliance of tax return preparers who prepare returns for compensation. The office also engages in outreach and education programs and administers IRS's Annual Filing Season program, a voluntary program to encourage noncredentialed preparers to participate in continuing education courses.
	Small Business/Self-Employed	Small Business/Self-Employed Examination revenue agents visit e-file providers to ensure they are complying with the Authorized e-file Provider program's requirements.
	Electronic Products and Services Support (EPSS)	EPSS administers the Authorized e-file Provider program. It is also responsible for updating IRS Publications 1345 and 3112, which outline the requirements of the program. EPSS officials reported that they must coordinate with other business units to update individual references in the publications. EPSS is the intake point for security incident information for online providers and e-Services users, according to officials.
	Return Integrity and Compliance Services (RICS)	RICS monitors taxpayer accounts for potential fraud to protect revenue. RICS also manages the security incident data reports that are submitted by tax software providers. RICS is the intake point for security incident information for Security Summit and Identity Theft Tax Refund Fraud - Information Sharing and Analysis Center (ISAC) members and actively monitors ISAC alerts from the online platform for new information that may not have been reported elsewhere.

Source: GAO analysis of IRS information. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Table 28: Area 9 Tax-Exempt Entities Compliance: Related Program Information

Agency	Programs	Program descriptions
Internal Revenue Service (IRS)	IRS audit activities and information returns review	<ul style="list-style-type: none"> • Section 501 of the Internal Revenue Code provides for tax-exempt status of certain corporations, trusts, and other organizations. This status allows qualifying organizations to claim exemption from federal income taxes. • Federal law also permits individual taxpayers and organizations to reduce their tax liability by deducting contributions to charitable organizations. • IRS operates 10 programs that may identify or conduct enforcement action on abusive tax schemes that involve a tax-exempt entity. • In addition to reviewing tax returns, IRS also reviews other information returns that provide relevant data. <ul style="list-style-type: none"> ○ Taxpayers are to disclose all types of reportable transactions on Form 8886, <i>Reportable Transaction Disclosure Statement</i>. Reportable transactions may involve tax-exempt entities. ○ Tax-exempt entities must file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i>, when the entity is a party to a listed, confidential, or contractual protection transaction, and the entity knows the identity of any other party in the transaction. • From fiscal years 2008 through 2017, IRS averaged about \$19 million in tax changes each year on certain business tax returns associated with tax-exempt entities identified on Form 8886.^a

Source: GAO analysis of IRS information. | GAO-20-440SP

^aDollar total adjusted for inflation in 2018 dollars.

Appendix VI: Additional Information on Programs Identified

Table 29: Area 10 Public Health and Medical Emergency Response: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 appropriation
Office of the Assistant Secretary for Preparedness and Response (ASPR)	National Disaster Medical System (NDMS)	NDMS is an interagency partnership among the Departments of Defense, Health and Human Services, Homeland Security, and Veterans Affairs to supplement health and medical systems and response capabilities during a public health emergency. Under NDMS, ASPR and its partner agencies provide medical response (by deploying medical personnel teams, for example), evacuate patients, and provide medical care in NDMS medical facilities when requested by state, local, tribal, and territorial governments or other federal agencies.	\$73,000,000

Source: GAO analysis of Department of Homeland Security, *Public Health and Medical Services Annex* (Washington, D.C: June 2016), and Department of Health and Human Services, *FY 2021 Budget in Brief* (Feb. 20, 2020). | GAO-20-440SP

Table 30: Area 11 VA Long-Term Care Fragmentation: Related Program Information

Institutional Long-Term Care Program Descriptions

Program	Description
Veterans Affairs (VA) Community Living Centers	Provides 24-hour skilled nursing care in VA-owned homes, and may also provide domiciliary care, such as for mental health or substance abuse.
Community Nursing Homes	Provides 24-hour skilled nursing care in public or privately owned homes that VA contracts with to provide this care.
State Veterans Homes	Provides 24-hour skilled nursing care in homes that are owned and operated by states.

Noninstitutional Long-Term Care Program Descriptions

Program	Description
Homemaker Home Health Aide	Trained aides come to the home to help veterans with activities of daily living through a VA-contracted organization. Alternatively, the Veteran Directed Care program provides veterans with a budget for care.
Home-Based Primary Care	A health care team, supervised by a VA physician, provides health care services to veterans with complex needs.
Purchased Skilled Home Care	Provides nursing care and other health services by a VA-contracted community-based agency for veterans who live far from VA facilities.
Home Telehealth	Allows physicians or nurses to monitor a veteran's medical condition remotely and to talk with the veteran to discuss care.
Adult Day Health Care	Provides activities and support for veterans who need help with activities of daily living, who are isolated, or have caregivers in need of relief. This care may be provided in VA, state, or community programs.
Home Hospice Care	Provides comfort care for veterans and family in home, clinic or inpatient settings for veterans with less than 6 months to live.
Home Respite Care	Provides short-term care at home or at an adult day care program when family caregivers need a break.

Appendix VI: Additional Information on Programs Identified

Program	Description
Community Residential Care	Provides 24-hour care, room and meals in family care homes, assisted living homes, or medical foster homes for veterans who cannot live alone because of medical or mental health conditions.
Spinal Cord Injury and Disability Home Care	Care centers provide primary and specialty care for veterans who have spinal cord injuries, and local teams provide care close to veterans' homes.

Source: GAO analysis of VA documents. | GAO-20-440SP

Note: GAO included three institutional programs and 11 noninstitutional programs of VA's 14 Long-Term Services and Supports programs, and for the purposes of this report, refers to these programs as long-term care. For the purposes of this table, GAO condensed the three adult day health program descriptions into one entry. In its comments on a draft section of this report, VA provided additional detail on the Community Residential Care program, which includes medical foster homes, assisted living homes, and family care homes. Specifically, VA noted that Community Residential Care settings provide health care supervision to veterans who are not able to live independently and are not in need of hospital or nursing home care, and that medical foster homes provide nursing home care to veterans in a community setting. In addition, VA may provide stipends or other services to caregivers for veterans who were seriously injured in the line of duty through the Caregiver Support Program. Disabled veterans may also be eligible for increased compensation benefits from the Veterans Benefits Administration. These programs are not reflected in this table.

Table 31: Area 12 Coast Guard Specialized Forces: Related Program Information

Agency	Program name	Program description
Department of Homeland Security, U.S. Coast Guard	Maritime Security Response Team	Maritime Security Response Teams are the Coast Guard's specialized forces for counterterrorism and higher risk law enforcement operations, such as short notice maritime response. The teams provide a variety of capabilities and skills, including addressing threats posed by weapons of mass destruction and inserting from a helicopter to a ship's deck to engage potentially hostile personnel.
Department of Homeland Security, U.S. Coast Guard	Maritime Safety and Security Teams	Maritime Safety and Security Teams are a maritime security antiterrorism force. The teams are managed as national deployable units responsible for safeguarding the public and protecting vessels, harbors, ports, facilities, and cargo in U.S. territorial waters.
Department of Homeland Security, U.S. Coast Guard	National Strike Force	National Strike Force is comprised of three strike teams, an incident management team, a public information assist team, and a coordination center. Collectively, the National Strike Force is composed of Coast Guard personnel with incident-management skills and specialized equipment who deploy in response to oil and hazardous substance pollution incidents (i.e., biological, chemical, and radiological response).
Department of Homeland Security, U.S. Coast Guard	Port Security Units	Port Security Units' primary mission is defense readiness, and they provide waterside and shoreside security for high-value assets and critical maritime infrastructure. Port Security Units are largely reserve units and maintain boats that can be trailered or air lifted to deployment locations.
Department of Homeland Security, U.S. Coast Guard	Tactical Law Enforcement Teams	Tactical Law Enforcement Teams provide specialized law enforcement and maritime security capabilities to enforce U.S. laws, including drug interdiction and vessel interception operations.

Source: GAO analysis of Coast Guard information. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Table 32: Area 13 DHS's Processes for Apprehended Families: Related Program Information

Agency	Description of responsibilities
Department of Homeland Security, U.S. Customs and Border Protection (CBP)	CBP apprehends individuals and determines if they are ineligible for admission into the United States or otherwise removable from the country. CBP's agents and officers make decisions about how information about each apprehended individual and his or her relationship to other family members will be documented. According to CBP officials, if individuals are determined to be ineligible for admission into the United States, agents and officers must decide whether to place them into full or expedited immigration removal proceedings, consistent with the Immigration and Nationality Act. ^a
Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE)	ICE, among other things, is responsible for detaining and removing noncitizens, including families, who are in the United States in violation of U.S. immigration law and subject to removal. ICE officers are to determine whether to detain, release, or remove such individuals based on a variety of factors, including statutory requirements, medical considerations, and the availability of detention space. For family units placed in expedited removal, ICE officers have the authority to accept or deny a CBP referral for detention in one of ICE's family residential centers—a decision that ICE officials stated is largely dependent upon available detention space.
Department of Homeland Security, U.S. Citizenship and Immigration Services (USCIS)	If placed into expedited removal proceedings instead of full removal proceedings, noncitizens are to be ordered removed from the United States, without further hearing before an immigration judge, unless they indicate an intention to apply for asylum, a fear of persecution or torture, or a fear of return to their home country. In such cases, they are referred to USCIS for a credible fear screening. In this screening, an asylum officer is to review certain documentation from CBP and ICE; interview the individual to obtain more details on his or her fear claim, overall credibility, and the nature of any relationships with family members with whom he or she was apprehended; and determine whether there are any dependents who could potentially be included in the individual's fear determination. For cases in which USCIS concludes the screening with a positive determination, USCIS is to issue a Notice to Appear, thereby placing the individual into full removal proceedings before an immigration judge. For cases in which the asylum officer concludes the screening with a negative determination, USCIS is to refer the individual to ICE for removal from the United States, unless he or she requests a review of the negative determination by an immigration judge.

Source: GAO analysis of Department of Homeland Security documents and interviews with agency officials. | GAO-20-440SP

^a8 U.S.C. §§ 1225(b), 1229a.

Table 33: Area 14 National Strategy for Transportation Security: Related Program Information

Agency	Program name	Program description
Department of Homeland Security	National Strategy for Transportation Security	The national strategy aims to identify and evaluate U.S. transportation assets that must be protected from attack or disruption by terrorist or other hostile forces.

Source: GAO analysis of information in the national strategy. | GAO-20-440SP

Appendix VI: Additional Information on Programs Identified

Table 34: Area 15 Surface Transportation Security Training: Related Program Information

Agency	Program name	Program description
Department of Homeland Security/Transportation Security Administration	Intermodal Security Training and Exercise Program	The program conducts multiagency, multijurisdictional activities ranging from seminars to full-scale exercises. Seminars provide a starting point for industry stakeholders developing or making major changes to their plans and procedures. Full-scale exercises deploy personnel and resources for real-time scripted events that focus on implementing and analyzing plans, policies, and procedures. The voluntary exercises are conducted across surface transportation modes including mass transit, passenger and freight rail, highway, and pipeline.

Source: GAO analysis of Transportation Security Administration information. | GAO-20-440SP

Table 35: Area 16 U.S. Assistance to Central America: Related Program and Budgetary Information

Agency	Program description	Fiscal years 2013 through 2018 total allocations
Department of State (State)	State funds projects supporting prosperity, governance, and security objectives in the three countries of the Northern Triangle of Central America—El Salvador, Guatemala, and Honduras. These projects include those designed to assist businesses develop their capabilities; strengthen justice institutions; combat corruption; improve democratic processes; advocate the protection of human rights; and improve the capabilities of law enforcement to better identify and prevent crime, violence, and gang activity.	\$463,595,861
U.S. Agency for International Development (USAID)	USAID funds projects supporting prosperity, governance, and security objectives in the Northern Triangle, including those designed to assist populations to meet basic needs; help businesses and farmers access markets; assist governments to increase their accountability, transparency, revenue collection, and provision of basic services; and prevent violence through community based activities and workforce development activities for at-risk youth.	\$1,443,786,353
Department of Agriculture (USDA)	USDA funds projects supporting the prosperity objective in the Northern Triangle, including those designed to help farmers improve agricultural management practices and increase their access to markets and capital.	\$221,924,000
Department of Defense (DOD)	DOD funds projects to support the security objective in the Northern Triangle, including those designed to train and equip Northern Triangle militaries.	\$234,067,927

Source: GAO analysis of State, USAID, DOD, and USDA data and information. | GAO-20-440SP

Note: Allocations include multicountry allocations for projects implemented exclusively in two or three Northern Triangle countries. Allocations do not include approximately \$166 million in funding for multicountry projects implemented outside the Northern Triangle for which agencies did not report specific country allocation amounts because these data could include funding for countries outside of the Northern Triangle.

Appendix VI: Additional Information on Programs Identified

Table 36: Area 17 Public Access to Federally Funded Research Results: Related Program Information

Agency	Office(s)	Office description and publications repository
Department of Health and Human Services (HHS), Administration for Community Living (ACL)	Not applicable	There is no office within ACL responsible for operating, managing, and developing policy for publications and data repositories. The public access website for ACL-funded publications is https://www.ncbi.nlm.nih.gov/pmc/ .
HHS, Agency for Healthcare Research and Quality (AHRQ)	Office of Extramural Research, Education, Priority Population (publications and data)	The Office of Extramural Research, Education, Priority Population is responsible for operating, managing, and developing policy for both publications and data repositories. The public access website for AHRQ-funded publications is https://www.ncbi.nlm.nih.gov/pmc/ .
HHS, Centers for Disease Control and Prevention (CDC)	Multiple offices (publications and data)	The Office of the Associate Director for Science is responsible for operating, managing, and developing policy for both publications and data repositories. The Office of Science Quality assists with publications while the Centers/Institutes/Offices assist with data repositories. CDC's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .
Department of Agriculture (USDA)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for both publications and data repositories, including the Office of the Chief Scientist, Science Council, and Agricultural Research Service, among others. USDA's public access website for publications is https://pubag.nal.usda.gov .
Department of Defense (DOD)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for publications, including the Undersecretary of Defense for Research and Engineering, Defense Agencies, and the Defense Technical Information Center, among others. Laboratory Commanders and Directors, among others, are responsible for data repositories. DOD's public access website for publications is https://publicaccess.dtic.mil .
Department of Education (Education)	Education Resources Information Center (publications); Commissioner of the National Center for Education Evaluation and Regional Assistance (publications)	The Education Resources Information Center, in consultation with Commissioner of the National Center for Education Evaluation and Regional Assistance, is responsible for operating, managing, and developing policy for publications. There is no office within Education responsible for data repositories. Education's public access website for publications is https://eric.ed.gov/ .
Department of Energy (DOE)	Office of Scientific and Technical Information (publications and data); Office of Science (data)	The Office of Scientific and Technical Information is responsible for operating, managing, and developing policy for both publications and data repositories. The Office of Science assists with data repositories. DOE's public access website for publications is https://www.osti.gov/pages .
Department of Homeland Security (DHS)	Science and Technology Directorate (publications and data); DHS components (data)	The Science and Technology Directorate is responsible for operating, managing, and developing policy for both publications and data repositories. DHS components assist with data repositories. DHS's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .

**Appendix VI: Additional Information on
Programs Identified**

Agency	Office(s)	Office description and publications repository
Department of Transportation (DOT)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for both publications and data repositories, including the Federal Aviation Administration, Maritime Administration, and Bureau of Transportation Statistics. DOT's public access website for publications is https://rosap.ntl.bts.gov/ .
Department of Veterans Affairs (VA)	Office of Research and Development (publications and data); Office of Information Technology (data)	The Office of Research and Development is responsible for operating, managing, and developing policy for both publications and data repositories. The Office of Information Technology assists with data repositories. VA's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .
Environmental Protection Agency (EPA)	Not applicable	EPA did not provide an office responsible for operating, managing, and developing policy for publications or data repositories. EPA's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .
HHS, Food and Drug Administration (FDA)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for both publications and data repositories, including the Office of Public Health Strategy and Analysis, the Office of Scientific Integrity, and the Office of Health Informatics. FDA's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .
National Aeronautics and Space Administration (NASA)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for both publications and data repositories, including the Chief Information Officer and the Chief Scientist. NASA's public access website for publications is https://www.nasa.gov/open/researchaccess/ .
Department of Commerce (Commerce), National Institute of Standards and Technology (NIST)	Multiple offices (publications and data)	Multiple offices are responsible for operating, managing, and developing policy for both publications and data repositories. For example, for publications, the Office of Information Systems and the Open Access Officer are responsible. For data, the Chief Information Officer and the Office of Data and Informatics assist with data repositories, among others. NIST's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/funder/nist/ .
HHS, National Institutes of Health (NIH)	Multiple offices (publications and data)	The Office of the Director is charged with central coordination for developing and managing policy for publications across NIH. NIH, through the National Library of Medicine, also supports the operationalization of public access policies of 10 other federal agencies that use PubMed Central, thus providing a consistent approach to the availability of publications. The NIH Institutes and Centers maintain multiple data repositories, and coordination across the agency takes place through a variety of mechanisms. NIH's public access website for publications is https://www.ncbi.nlm.nih.gov/pmc/ .

Appendix VI: Additional Information on Programs Identified

Agency	Office(s)	Office description and publications repository
Commerce, National Oceanic and Atmospheric Administration (NOAA)	Multiple offices (publications and data)	The Environmental Data Management Committee and the Data Management Working Group are responsible for operating, managing, and developing policy for both publications and data repositories. Multiple offices assist with data repositories, including the Chief Data Officer and the National Centers for Environmental Information. NOAA's public access website for publications is https://repository.library.noaa.gov/ .
National Science Foundation (NSF)	Public Access Working Group (publications and data)	The Public Access Working Group is responsible for overseeing implementation of the NSF public access plan (NSF 15-052). This plan includes the development and management of NSF's Public Access Repository for publications (https://par.nsf.gov), and a means of increasing access to NSF-funded research data and other products of NSF-funded research.
U.S. Agency for International Development (USAID)	Office of the Chief Information Officer (publications and data)	The Office of the Chief Information Officer is responsible for operating, managing, and developing policy for both publications and data repositories. USAID's public access website for publications is https://dec.usaid.gov .
Department of the Interior, U.S. Geological Survey (USGS)	Core Science Systems Mission Area (publications); Fundamental Science Practices Advisory Committee (data)	The Core Science Systems Mission Area is responsible for operating, managing, and developing policy for publications, and the Fundamental Science Practices Advisory Committee is responsible for data repositories. USGS's public access website for publications is https://pubs.er.usgs.gov/ .

Source: GAO analysis of agency questionnaires and documents. | GAO-20-440SP

Note: Information in this table was provided by each agency in response to a questionnaire. The Office of Science and Technology Policy's (OSTP) 2013 memorandum, *Increasing Access to the Results of Federally Funded Scientific Research*, applies to federal agencies with over \$100 million in annual research and development expenditures. GAO identified 19 agencies with over \$100 million in annual research and development expenditures that developed and were implementing public access plans. In GAO-20-81, GAO made recommendations to OSTP and five other agencies that co-chair the National Science and Technology Council's Subcommittee on Open Science to enhance and strengthen interagency collaboration on public access.

Appendix VI: Additional Information on Programs Identified

Table 37: Area 18 USDA’s Nutrition Education Efforts: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 actual and estimated obligations^a
U.S. Department of Agriculture (USDA)	Supplemental Nutrition Assistance Program Education (SNAP-Ed)	SNAP-Ed provides evidence-based nutrition education and obesity prevention activities through individual and group-based strategies, comprehensive multilevel interventions, and/or community and public health approaches.	\$424,000,000
	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	WIC provides benefits for food and referrals to health and other social services, as well as nutrition education, including breastfeeding promotion and support, to participants.	\$362,000,000 ^b
	Expanded Food and Nutrition Education Program (EFNEP)	EFNEP provides nutrition education through land-grant universities using paraprofessional peer educators. The program also provides training for these educators.	\$69,000,000
	Food Insecurity Nutrition Incentive Grant Program (FINI)	FINI provides benefits for purchasing healthy foods and may include additional nutrition education programming.	\$45,000,000 ^c
	Team Nutrition	Team Nutrition supports the USDA child nutrition programs through training and technical assistance for food service, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity.	\$22,000,000 ^d

Source: GAO analysis of the 2019, 2020, and 2021 USDA Budget Explanatory Notes and GAO-19-572. | GAO-20-440SP

^aThese data are actual obligations for fiscal year 2019 with the exception of the WIC program.

^bWIC obligations in the table are for nutrition education components of the program only. Each state agency must spend at least one-sixth of its nutrition service and administration spending on nutrition education and breastfeeding promotion and support. Thus, the estimated obligation amount in the table may be underestimated if state agencies choose to spend a greater proportion than required.

^cFINI’s goal is to incentivize healthy eating, and nutrition education can be a component. The FINI program’s obligations in the table include total grant obligations rather than solely those for nutrition education components. Following the Agriculture Improvement Act of 2018, the program is now known as the Gus Schumacher Nutrition Incentive Program.

^dTeam Nutrition obligations in the table includes the Healthier U.S. School Challenge program.

Appendix VI: Additional Information on Programs Identified

Table 38: Area 19 Defense Agencies and DOD Field Activities Reform: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2018 obligations
Department of Defense (DOD)	Defense Agencies and DOD Field Activities (DAFAs) Reform	The DAFAs are meant to provide department-wide consolidated support functions and play a critical role in supporting DOD's business operations.	\$47,563,423,000

Source: GAO analysis of DOD budget justification material. | GAO-20-440SP

Note: Fiscal year 2018 obligations are for 21 of the 23 Defense Agencies and Field Activities listed in GAO-18-592 included as part of *DOD's Initial Plan for Reforming the Business Operations of the Department of Defense for Efficiency and Effectiveness* issued in April 2019. Obligations data for the Defense Finance and Accounting Service, and the Defense Commissary Agency are not included in Defense-wide agencies' appropriation status reports and budget justification materials. Revenue for these organizations totaled about \$6.1 billion in fiscal year 2018.

Table 39: Area 20 DOD Maintenance Depot Funding: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations
Department of Defense/ Army	Army Working Capital Fund	Amounts from the Army Working Capital Fund are used to fund depot maintenance activities at a variety of locations. Work performed is associated with aviation and missiles, tanks and armaments, and communications and electronics.	\$4,025,000,000
Department of Defense/ Air Force	Air Force Working Capital Fund	Amounts from the Air Force Working Capital Fund are used to fund depot maintenance activities at a variety of Air Logistics Complexes.	\$2,544,095,000
Department of Defense/ Navy	Navy Working Capital Fund	Amounts from the Navy Working Capital Fund are used to fund depot maintenance activities at a variety of Fleet Readiness Centers.	\$1,290,600,000
Department of Defense/ Marine Corps	Navy Working Capital Fund (Marine Corps) ^a	Amounts from the Navy Working Capital Fund are used to fund depot maintenance activities at Marine Corps Logistics Command production plants.	\$164,300,000

Source: GAO analysis of military services fiscal year 2021 Working Capital Fund budget submissions. | GAO-20-440SP

Note: Working Capital Fund budget submissions identify military service depot unexpended carryover obligations for funded unfinished workload at DOD depots, which represent obligations from Operations and Maintenance funding and other funding sources, such as procurement funding. To determine the carryover amount for fiscal year 2019, GAO analyzed Working Capital Fund budget submissions to identify military service depot carryover and revenue for this time period. Carryover is funded work that has not been completed, and the amount of carryover may increase or decrease depending on the rate at which orders are completed by the depots and the amount of new orders accepted by the end of a fiscal year. Carryover can be expressed in time or dollars needed to complete the workload at fiscal year-end. DOD 7000-14-R, Financial Management Regulation, volume 2B, chap. 9 (December 2014), provides that the approved amount of workload carrying over to subsequent fiscal years is linked to the outlay rate of the source appropriation as published in the

Appendix VI: Additional Information on Programs Identified

most recent DOD Financial Summary Tables published annually. Carryover calculations exclude nonfederal, non-DOD, Foreign Military Sales, and Base Realignment and Closure related work.

^aThe Marine Corps is responsible for developing its own budget, which is then submitted to the Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) for review and inclusion in the Navy Working Capital Fund budget submission to Congress.

Table 40: Area 21 Ginnie Mae’s Mortgage-Backed Securities Program: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations
Government National Mortgage Association (Ginnie Mae)	Mortgage-backed securities (MBS) program	Ginnie Mae supports liquidity in the mortgage market by guaranteeing timely payment to investors in MBS backed by federally guaranteed or insured mortgages, for which qualified MBS issuers pay a fee. Issuers pool their eligible government-insured loans into securities and issue Ginnie Mae-guaranteed MBS. Ginnie Mae generates fee income from the guarantee fee charged to MBS issuers.	\$28,514,000 ^a

Source: GAO analysis of the Department of Housing and Urban Development, Government National Mortgage Association, Fiscal Year 2020 Congressional Justifications. | GAO-20-440SP

^aFiscal year 2019 obligations are for administrative expenses and commitment and multiclass fees.

Table 41: Area 22 IRS Tax Debt Collection Contracts: Program and Related Budgetary Information

Agency	Program name	Program description	Fiscal year 2018 total costs and revenue collection results
Internal Revenue Service (IRS)	Private debt collection	Program to contract with private collection agencies to attempt collection of certain tax debts not actively being pursued by IRS.	Total direct and indirect costs: \$31,100,000 ^a Collections: \$82,200,000

Source: GAO analysis of IRS information. | GAO-20-440SP

^aDirect costs were \$26.3 million and indirect costs were \$4.8 million.

Appendix VI: Additional Information on Programs Identified

Table 42: Area 23 Virtual Currency Tax Information Reporting: Related Program Information

Agency	Program name	Program description
Internal Revenue Service (IRS)	Information Returns Program	<p>The Internal Revenue Code requires payers to report various types of payments to both IRS and the recipients of the payments. These payments include such items as rent, salaries, wages, and income paid in the course of a trade or business, and payments such as dividends, interest, and royalties made to another person. The statements and forms used for this reporting are known as information returns.</p> <p>When payers file information returns, they provide IRS and taxpayers with important information that helps to identify income that may be taxable. The Information Returns Program matches information returns to individual tax returns to determine compliance.</p> <p>IRS has obtained some information about income from virtual currency on information returns. However, some transactions involving virtual currency are not included on information returns, in part because law or regulations do not require them to be reported.</p>

Source: GAO analysis of Internal Revenue Service information. | GAO-20-440SP

Table 43: Area 24 Medicaid Provider Enrollment: Program and Related Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 federal outlays
Centers for Medicare & Medicaid Services	Medicaid	Medicaid is a joint, federal-state program that finances health care coverage for low-income and medically needy populations.	\$385,000,000,000

Source: GAO analysis of Department of Health and Human Services information. | GAO-20-440SP

Table 44: Area 25 VA Allocation of Health Care Funding: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 obligations
Department of Veterans Affairs (VA)	Veterans Health Administration	The Veterans Health Administration is the largest integrated health care system in the United States,, providing care at 1,255 health care facilities— including 170 medical centers and 1,074 outpatient sites of care of varying complexity—to over 6.9 million veterans in fiscal year 2019.	\$79,793,936,000 ^a

Source: GAO analysis of VA budget documents. | GAO-20-440SP

^aObligations include discretionary and mandatory amounts. Discretionary funds comprise both general purpose funds, which are allocated to regional Veterans Integrated Service Networks and medical centers through two main allocation models, as well as specific purpose funds, which are allocated differently than general purpose funds because of special legal or programmatic requirements, national support functions, and projects where economies of scale can be achieved at

Appendix VI: Additional Information on Programs Identified

a national level by having some allocations outside VA's main allocation models. Mandatory amounts include funding provided to VA through the Veterans Access, Choice, and Accountability Act of 2014.

Table 45: Area 26 Open Source Software Program: Related Program Information

Agency	Program name	Program description
Department of Defense (DOD)	Open Source Software Pilot Program	DOD is mandated by law to implement the open source software pilot program established by the Office of Management and Budget memorandum M-16-21.

Source: GAO analysis of the extent DOD has implemented the open source software pilot program. | GAO-20-440SP

Note: Activities associated with fully implementing the open source software pilot program is not a line item in the budget. However, within the DOD IT portfolio, Operations & Maintenance (O&M) resources are used for the following expenses: IT Staffing/Full Time Equivalents; IT Systems O&M; Legacy IT systems and assets O&M; Technology refresh, upgrades and updates; Software licensing, maintenance updates and releases; Purchase of commodity and commercial services not deemed provisioned; IT Management and Chief Information Officer's staff functions; and IT Technical support functions.

Table 46: Area 27 DOD Oversight of Foreign Reimbursements: Related Program Information

Agency	Program name	Program description
Department of Defense (DOD)	Acquisition and Cross-Servicing Agreements (ACSA)	Several DOD elements jointly manage the use of ACSA to exchange logistics support, supplies, and services with foreign partners in return for cash or in-kind reimbursement.

Source: GAO analysis of DOD data. | GAO-20-440SP

Table 47: Area 28 Drawback Program Modernization: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2019 refunds
U.S. Customs and Border Protection (CBP)	Trade Drawback	CBP refunds certain duties, taxes, and fees paid on imported merchandise that are subsequently exported or destroyed through the drawback program.	\$1,401,134,399

Source: GAO analysis of U.S. Customs and Border Protection. | GAO-20-440SP

Table 48: Area 29 Student Loan Income-Driven Repayment Plans: Related Program and Budgetary Information

Agency	Program name	Program description	Fiscal year 2020 estimated loans ^a
Department of Education	William D. Ford Federal Direct Loan Program (Direct Loan)	Eligible borrowers receive student loans administered by the federal government.	\$100,214,543,000

Source: GAO analysis of Department of Education budget information. | GAO-20-440SP

**Appendix VI: Additional Information on
Programs Identified**

^aEstimates provided for Direct Loans represent the estimated total volume of loans to be issued in fiscal year 2020. This estimate excludes Consolidation Loans and reflects the amount estimated to be loaned to borrowers, not the federal cost of these loans.

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