Goals towards Reducing Monetary Loss

1. Develop mitigation strategies to get the payment right the first time
   - Status: On-Track
   - ECD: Sep-22

2. Evaluate the ROI of the mitigation strategy
   - Status: At Risk
   - ECD: Sep-22

3. Determine which strategies have the best ROI to prevent cash loss
   - Status: On-Track
   - ECD: Sep-22

4. Implement new mitigation strategies to prevent cash loss
   - Status: On-Track
   - ECD: Oct-22

5. Analyze results of implementing new strategies
   - Status: On-Track
   - ECD: Sep-22

6. Achieved compliance with PIIA
   - Status: On-Track
   - ECD: Sep-25

7. Identified any data needs for mitigation
   - Status: On-Track
   - ECD: Sep-22

Milestones

- Root Cause of Monetary Loss
- Key Milestones
- Key Milestones
- Key Milestones
- Key Milestones
- Key Milestones
- Key Milestones
- Key Milestones

Payment Integrity Scorecard

Change from Previous FY ($M)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Reporting Period</th>
<th>Change from Previous FY ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$2,928M</td>
</tr>
</tbody>
</table>

Monetary Loss ($M)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Reporting Period</th>
<th>Monetary Loss ($M)</th>
<th>(Overpayment as Percentage of Total Outlays)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$17,956M (24.02%)</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$17,459M (23.87%)</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$18,443M (25.06%)</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$17,352M (25.26%)</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$16,043M (23.53%)</td>
<td></td>
</tr>
<tr>
<td>Treasury</td>
<td>Q2 2022</td>
<td>$18,971M (27.76%)</td>
<td></td>
</tr>
</tbody>
</table>

Accomplishments in Reducing Monetary Loss

1. The IRS delivered its “Keys to Mastering Due Diligence Requirements” webinar, which included guidance on paid preparer due diligence requirements for the EITC and head of household filing status.
   - Date: Jan-22

2. The IRS partnered with more than 1,500 key stakeholders to hold its annual EITC Awareness Day, a nationwide effort to increase awareness about the EITC and its filing requirements.
   - Date: Jan-22

3. Refundable Credits Participation Working Group: The 2nd quarter meeting was held to discuss ways IRS could increase the effectiveness of its outreach efforts and share useful tools with partners to increase refundable credit compliance and awareness.
   - Date: Mar-22

Mitigation Strategy

<table>
<thead>
<tr>
<th>Amt($)</th>
<th>Root Cause of Monetary Loss</th>
<th>Root Cause Description</th>
<th>Mitigation Strategy</th>
<th>Brief Description of Mitigation Strategy and Anticipated Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,933M</td>
<td>Overpayments outside the agency control that occurred because the Data/Information Needed Does Not Exist.</td>
<td>This root cause category, accounting for $17.9 billion or 94% of EITC overclaims, includes errors with the inability to authenticate qualifying child eligibility requirements and taxpayer income misreporting.</td>
<td>Statutory Change - Proposed changes to statute that would change conditions giving rise to improper payments</td>
<td>The ability to verify EITC eligibility at time of filing would decrease improper payments and reduce taxpayer filing errors.</td>
</tr>
<tr>
<td>$1,138M</td>
<td>Overpayments outside the agency control that occurred because of an Inability to Access the Data/Information Needed.</td>
<td>Errors in this root cause category, accounting for $1.1 billion or 8% of EITC overclaims, occur when information needed to confirm payment accuracy is not available at the time the return is processed.</td>
<td>Statutory Change - Proposed changes to statute that would change conditions giving rise to improper payments.</td>
<td>The ability to confirm payment accuracy is available at the time the return is processed, it would reduce improper payments.</td>
</tr>
</tbody>
</table>

Monetary Loss - Monetary loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.