

Payment Integrity Scorecard

Program or Activity
Federal Transit Administration Transit Infrastructure Grants - COVID Relief Funds

Reporting Period
Q4 2024

FY 2023 Overpayment Amount (\$M)* **\$506**

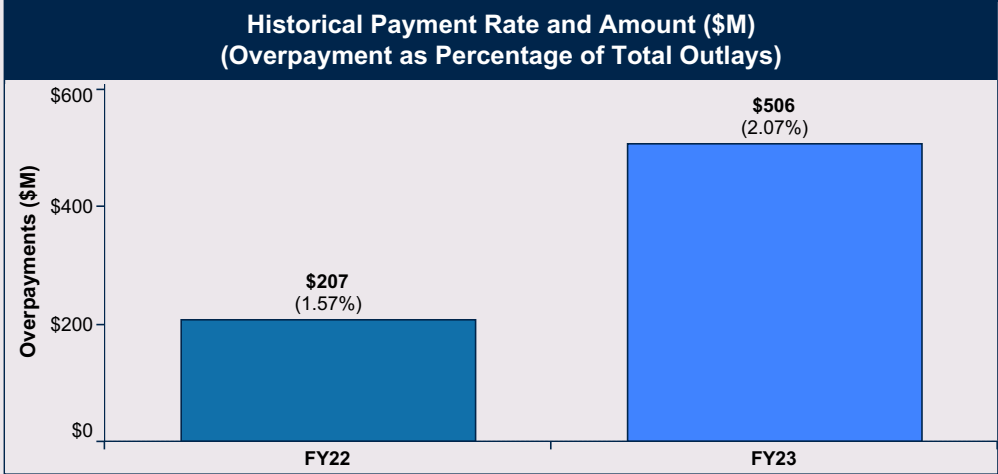
*Estimate based a sampling time frame starting 10/2021 and ending 9/2022



Department of Transportation
Federal Transit Administration Transit Infrastructure Grants - COVID Relief Funds

Brief Program Description & summary of overpayment causes and barriers to prevention:

In response to the COVID-19 pandemic, FTA received three emergency appropriations to support the nation's public transportation systems. The funding provided relief to transit agencies for ongoing operations rather than traditional capital investments. The primary root cause of the program's improper payments is the timing when transit operating expenses became eligible for reimbursement. The new eligibilities from COVID relief funds did not align with the prior period accounting adjustments made during the testing period such as: reimbursements, accruals, and payroll reversals. FTA COVID relief funds are not administered at the Federal level and overpayments are outside of FTA control when grant recipients make administrative errors.



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

FTA held payment integrity training with its regional offices and select transit authorities at the onset of the FY 2024 sampling and estimation review. FTA finalized testing payments made to transit authorities and generated an estimate for FY 2024 payment integrity reporting. The results include corrective action plans to include technical assistance to prevent overpayments.

Accomplishments in Reducing Overpayment		Date
1	FTA conducted outreach and payment integrity training with its regional offices and select transit authorities.	Jun-24
2	FTA finalized its sampling and estimation methodology plan for FY 2024 payment integrity reporting.	Jun-24
3	FTA finalized testing payments made to transit authorities and generated an estimate for FY 2024 payment integrity reporting.	Oct-24

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Complete testing of payments made to transit authorities and generate a FY 2024 estimate.	Completed	Oct-24	1 Recovery Activity	FTA advised grant recipients of requirements to correct future reimbursement requests and recover overpayments. Recipients have an incentive to repay funds when appropriate.	FTA recovered all identified FY 2023 overpayments from grant recipients.
2 Develop corrective action plans based on findings from FY 2024 estimate.	Completed	Oct-24			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$506M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	FTA Transit Infrastructure Grants - COVID Relief activities rely on the internal controls and financial systems of transit authorities to effectively administer program funds. Grant recipients are ultimately responsible for implementing effective internal controls.	Training teaching a particular skill or type of behavior; refreshing on the proper processing methods.	FTA will continue to work with recipients to improve project documentation and/or payment processes. Ongoing training to strengthen controls and staff knowledge at the State and recipient levels. Correction action plan results will not be immediately reflected in the data.

The most recent annual OIG payment integrity audit found DOT to be compliant. FTA is committed to effective stewardship of Federal funds. At the Federal level, the program has what is needed with respect to internal controls, human capital, and information systems to reduce improper payments.