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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

December 15, 2005

Mr. Clarence Crawford
Chief Financial Officer
Office of Personnel Management
1900 E Street, NW, Room 7508
Washington, DC 20415

Dear Mr. Crawford:

We are writing in regard to the large increase in improper payments in the Federal Employees Health Benefits Program (FEHB). FEHB reported an improper payment rate of \$86.1 million in fiscal year 2004, and recently reported in the 2005 Performance and Accountability Report an improper payment rate of \$196.5 million for fiscal year 2005. While still not meeting the threshold of being at risk for making "significant" improper payments, we are concerned that such drastic increases in improper payments in a program appears to be compromising good stewardship of taxpayer dollars.

As part of our oversight of the effectiveness and efficiency of Federal financial management, our Subcommittee needs to have the best data available so that we know what work on improper payments remains to be done. The ultimate goal is to eliminate improper payments in federal agencies and illustrate impeccable stewardship of taxpayer dollars.

In order for our Subcommittee to better understand the reasons for the large increase of improper payments in the FEHB program, please provide the Subcommittee with a detailed explanation of improper payment challenges OPM has faced in reporting and reducing improper payments over the past three years.

Please provide and return the requested information to

Liz Scranton, Chief Clerk
Subcommittee on Federal Financial Management, Government Information, and
International Security
Homeland Security and Governmental Affairs
439 Hart Senate Office Building
Washington, DC 20510

Please contact Robin Landauer with Senator Coburn's staff at 202.224.2254 or John
Kilvington with Senator Carper's staff at 202.224.7061 with any questions you may have.

Sincerely,



Tom Coburn
Chairman
Subcommittee on Federal Financial
Management, Government Information,
and International Security



Tom Carper
Ranking Member
Subcommittee on Federal Financial
Management, Government Information,
and International Security