



OFFICE OF
INSPECTOR GENERAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 29, 2012

Chairman and Commissioners
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Committee on Homeland Security and
Governmental Affairs
United States Senate
340 Dirksen Senate Office Building
Washington, DC 20510
Joseph Lieberman, Chairman
Susan M. Collins, Ranking Member

Committee on Oversight and
Governmental Reform
United States House of Representatives
2157 Rayburn House Office Building
Washington, DC 20515
Darrell E. Issa, Chairman
Elijah Cummings, Ranking Member

Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Jeffrey Zients, Acting Director
Office of Management and Budget
1650 Pennsylvania Avenue
Room 216
Washington, DC 20503

Daniel I. Werfel, Controller
Office of Federal Financial Management
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

**Report of the Inspector General of the Securities and Exchange Commission on Agency
Compliance for Fiscal Year 2011 with the Improper Payments Elimination and
Recovery Act**

The Securities and Exchange Commission (SEC) Office of Inspector General (OIG) has completed its required review of the SEC's compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA) for Fiscal Year 2011 (FY 2011), in accordance with IPERA and Office of Management and Budget (OMB) Memorandum M-11-16. The SEC OIG examined the SEC's FY 2011 Performance and Accountability Report (PAR), which is available on the SEC's website.

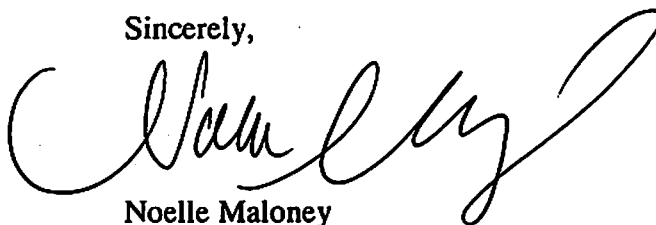
The FY 2011 PAR indicates that the SEC conducted a risk assessment and determined that none of its programs and activities are susceptible to significant improper payments at or above the threshold levels set by OMB. Further, the PAR provides that the SEC has determined that the implementation of a payment recapture program for the SEC (which does not administer grant, benefit or loan programs) is not cost-effective. In addition, the PAR

states that although the SEC has determined that implementation of a payment recapture program is not cost-effective, it nonetheless strives to recover any overpayments identified through other sources.

The SEC OIG reviewed the SEC's IPERA Risk Assessment Summary Report and supporting documentation to substantiate the SEC's compliance with IPERA, as well as the accuracy of improper payment amounts reported in the PAR. Based on our review, we have determined that the SEC is in compliance with IPERA.

If I can provide you with any further information, please do not hesitate to contact me at (202) 551-6035 or via email at maloneyn@sec.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Noelle Maloney", written in a cursive style.

Noelle Maloney
Acting Inspector General
Securities and Exchange Commission