

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 maloney@sec.gov.

Sincerely,

[Signature]

Noelle Maloney
Acting Inspector General
Securities and Exchange Commission