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Federal Employees Improve Government Effectiveness, Deliver Substantial Results

Federal agencies improved their management practices last year, resulting in quantifiable savings and better service to taxpayers, according to the latest Management Scorecard and improper payments reports, released today by the Office of Management and Budget (OMB).

Forty percent of the average Federal agency's management disciplines are acceptable, while 20 percent remain unacceptable. In PMA scorecard terms, this means that about 40 percent of the agencies' scores are green, while about 20 percent are red. The Department of Labor maintained its status as the highest scoring agency with five green status scores, followed by NASA and the National Science Foundation with four green status scores each. A green score is the top rating an agency can receive. During the most recent quarter, six agencies improved to green status scores in specific initiatives. The latest scorecard can be found at:

<http://www.whitehouse.gov/results/agenda/scorecard.html>.

As part of the President's Management Agenda, the Federal Government also eliminated \$7.8 billion in improper payments in Fiscal Year 2005, reducing the government-wide improper payment total by 17 percent. An improper payment occurs when Federal payments are made without proper documentation, go to the wrong recipient, are made in the incorrect amount, or used in an improper manner.

Other successes in the President's Management Agenda:

- Agencies the past three years conducted competitive sourcing studies of their commercial activities that upon implementation will produce savings of \$900 million per year.
- Agencies have completed an exhaustive inventory of real property assets and anticipate disposing of \$9 billion in unneeded assets by 2009.
- Almost 800 programs have developed plans to improve their performance and have made them public so as to increase the level of their accountability for the results.

"Federal employees are improving the way their agencies work," said OMB Deputy Director for Management Clay Johnson. "They are clearly defining what their management practices should be, and the benefits that should result from these new practices, and then being held accountable for achieving them. With clarity and transparency, you can get accountability; and with accountability, you get results."

The Office of Management and Budget also released the FY 2005 improper payments results today in its report, *Improving the Accuracy and Integrity of Federal Payments*. The report summarizes agency reporting under the Improper Payments Information Act and highlights various milestones achieved through the President's Management Agenda (PMA) initiative to

eliminate improper payments. The report is available at:
http://www.whitehouse.gov/omb/financial/fia_improper.html

“We are extremely proud of Federal agencies for taking critical steps to help ensure that taxpayer dollars are spent wisely and efficiently,” said Linda Combs, OMB Controller and head of the Office of Federal Financial Management. “In meeting the President’s charge to eliminate improper payments, we are off to a great start and expect to build on these successes in the coming years.”

Notably, the Department of Health and Human Services (HHS) achieved a 44 percent reduction in improper Medicare payments by taking aggressive steps to ensure that the necessary documentation was in place to support payment claims. In addition, the Department of Agriculture achieved the highest payment accuracy rate in the history of the Food Stamp program by simplifying program administration and working with States to ensure that more quality control checks are in place.

“We place a high priority at HHS on detecting and preventing improper or fraudulent payments, and we have worked aggressively to cut the number of improper fee-for-service Medicare claims payments by half in just one year,” said HHS Secretary Mike Leavitt. “We are now taking these proven strategies to help us achieve similar results for payments in Medicaid, SCHIP and Medicare managed care and prescription drug plans.”

For more information please contact OMB Communications at 202-395-7254.

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