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FROM: Joaquin Ferrao, Inspector General 

DATE: May 7, 2026

SUBJECT: Review of the Peace Corps' Compliance with the Payment Integrity Information Act for FY 2025 (IG-26-04-SR)

The Payment Integrity Information Act of 2019 (Public Law 116-117) (PIIA)¹ requires the Office of Inspector General (OIG) to annually review and determine the agency's compliance with improper payment (IP) and payment reporting in the annual Performance and Accountability Report or Agency Financial Report (AFR).² This report reflects the results of our review for fiscal year (FY) 2025, which was conducted in accordance with Generally Accepted Government Audit Standards for reviews.

Results

Our review determined that the Peace Corps complied with the PIIA for FY 2025, as demonstrated in Table 1 and described below.

The agency is required to conduct IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 fiscal years. The Peace Corps complied with this requirement by conducting an IP risk assessment in FY 2024.

Because this risk assessment was not conducted in FY 2025, we relied on the agency's estimates of IPs and unknown payments (UP) and the risk assessment conducted in FY 2024. The agency also provided payment integrity information through the Office of Management and Budget's (OMB) FY 2025 annual data call; published its IP information in the AFR for FY 2025; and posted that report on the Peace Corps' website, in accordance with the PIIA requirements.

Based on the results of our review, we concluded that it is unlikely that the Peace Corps reached the significant IP or UP threshold because the dollar values of their individual payments are considerably lower than the threshold amounts.³

We did not identify any significant IPs that met or exceeded the established PIIA threshold in our FY 2025 review, the audit of the agency's FY 2025 financial statements, or other audits or reviews conducted during FY 2025.

¹ Subchapter IV, Chapter 33, of Title 31, United States Code (U.S.C).

² Further guidance on PIIA compliance requirements is included in OMB's Circular M-21-19, Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement.

³ Significant IPs are defined as annual IPs and UPs (the sum of monetary loss IPs, non-monetary IPs, and UPs) in the program exceeding (1) both 1.5 percent of program outlays and \$10,000,000 of all program or activity payments made during the FY reported or (2) \$100,000,000 (regardless of the IP percentage of total program outlays). See 31 U.S.C. § 3352(a)(3).

Table 1: The Peace Corp's FY 2025 Compliance with PIIA Requirements

PIIA Requirements	Did the Agency Comply?
Published payment integrity information with the annual financial statement	✓
Posted the annual financial statement and accompanying materials on the agency website	✓
Conducted IP risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last 3 years	✓
Adequately concluded whether the program is likely to make IPs and UPs above or below the statutory threshold	✓
Published IP and UP estimates for programs susceptible to significant IPs in accompanying materials to the annual financial statement	N/A
Published corrective action plans for each program for which an estimate above the statutory threshold was published in accompanying materials to the annual financial statement	N/A
Published IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement	N/A
Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate	N/A
Developed a plan to meet the IP and UP reduction target	N/A
Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement	N/A

Source: Prepared by Peace Corps OIG based on Peace Corps data

N/A: Not Applicable

Conclusion

We concluded that the Peace Corps complied with the PIIA requirements for FY 2025.

The agency complied with the applicable PIIA requirements by providing payment integrity information through OMB's annual data call, publishing its AFR, and conducting an IP risk assessment in FY 2024. Based on the results of the work performed, we determined that it is unlikely that Peace Corps' total IPs or UPs reached the significant IP or UP threshold.

cc: Kris Besch, Deputy Chief Executive Officer
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