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United States General Accounting Office
Washington, DC 20548

September 9, 2002

The Honorable Richard A. Meserve
Chairman, Nuclear Regulatory Commission

Attn: Dr. William D. Travers
Executive Director for Operations

Dear Mr. Meserve:

The enclosed report, *Financial Management: Coordinated Approach Needed to Address the Government's Improper Payments Problems* (GAO-02-749) discusses (1) the amount of improper payments reported in agencies' fiscal year 2001 financial reports, (2) the extent to which agencies' fiscal year 2002 performance plans address improper payments, (3) actions that might encourage agencies to better control their improper payment problems, (4) barriers to better managing improper payments, and (5) how a collaborative effort between agencies, the administration, and the Congress is needed to better manage improper payments.

This report contains recommendations to you. As you know, the head of a federal agency is required by 31 U.S.C. 720 to submit a written statement, not later than 60 days after the date of the letter, on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Reform. A written statement must also be submitted to the House and Senate Committees on Appropriations with the agency's first request for appropriations that is made more than 60 days after the date of the letter.

Copies of this report have also been sent to appropriate congressional committees and other interested parties.

Sincerely yours,

Sally E. Thompson
Director, Financial Management
and Assurance

Enclosure