

Payment Integrity Scorecard

Program or Activity

Federal Highway Administration Highway Planning and Construction

Reporting Period

Q3 2025

FY 2024 Overpayment Amount (\$M)*

\$1,064

*Estimate based a sampling time frame starting 10/2022 and ending 9/2023



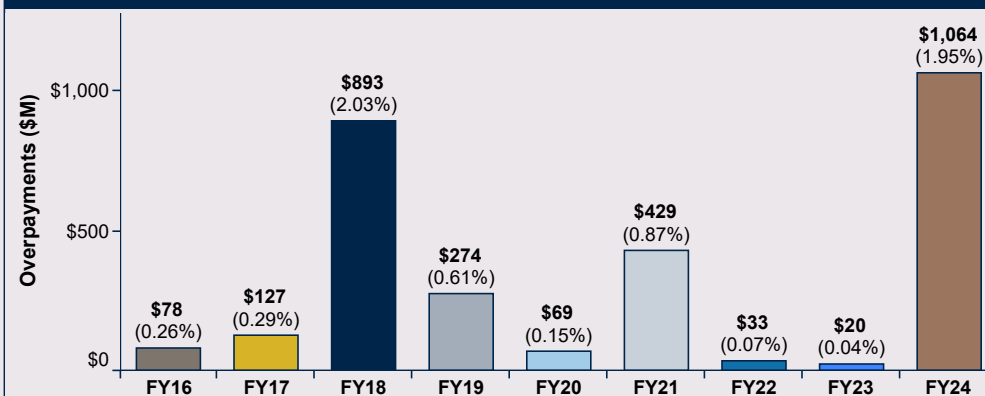
Department of Transportation

Federal Highway Administration Highway Planning and Construction

Brief Program Description & summary of overpayment causes and barriers to prevention:

The Federal Highway Administration's (FHWA) Highway Planning and Construction (HPC) program supports State and Local Public Agencies in the design, construction, and maintenance of the Nation's highway system as well as various federally and tribal owned lands. The program includes relief and infrastructure supplemental funding for the repair or reconstruction of highways and roads which have suffered serious damage because of natural disasters or catastrophic failures from external causes. FHWA HPC is not administered at the Federal level and overpayments are outside of FHWA control when grant recipients make administrative errors. The program is susceptible to improper payments and the plan is to report a phase 2 estimate for FY 2025.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

FHWA placed emphasis on ongoing technical assistance to strengthen controls and staff knowledge at the Division Office and recipient levels to improve project documentation, contractual adherence, adherence of federal regulation requirements, invoice verification and/or payment processes. FHWA continue to follow up with Division Offices for updates until corrective actions are completed. Corrective actions consider the observations and remediation recommendations from FY 2024 testing and agency-wide actions aim to directly address root causes for Improper Payments.

Accomplishments in Reducing Overpayment

Date

1 FHWA finalized its FY 2025 Sampling and Estimation Methodology Plan (S&EMP) in accordance with the Payment Integrity Information Act of 2019 (PIIA).

Jun-25

Payment Integrity Scorecard

Program or Activity

Federal Highway Administration Highway Planning and Construction

Reporting Period

Q3 2025

| Goals towards Reducing Overpayments | | Status | ECD | Recovery Method | Brief Description of Plans to Recover Overpayments | Brief Description of Actions Taken to Recover Overpayments |
|-------------------------------------|---|----------|--------|---------------------|--|---|
| 1 | FHWA will work with grant recipients to improve project documentation and/or payment processes, or address training deficiencies as applicable for each improper payment. The corrective actions described above will address the four programmatic root cause categories of ineligible cost; incorrect federal share; contractual non-compliance; and administrative errors. | On-Track | Oct-25 | 1 Recovery Activity | FHWA will advise grant recipients of requirements to correct future reimbursement requests and recover overpayments. | FHWA is working with grant recipients to recover identified overpayments. |

| Amt(\$) | Root Cause of Overpayment | Root Cause Description | Mitigation Strategy | Brief Description of Mitigation Strategy and Anticipated Impact |
|----------|---|--|--|--|
| \$1,064M | Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed. | By statute, the FHWA Highway Planning and Construction Program relies on the internal controls and financial systems of State and Local governments to effectively administer program funds. | Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods. | FHWA will continue to work with recipients to improve project documentation and/or payment processes. Ongoing training to strengthen controls and staff knowledge at the State and recipient levels. Corrective action plan results will not be immediately reflected in the data. |

The most recent annual OIG payment integrity audit found DOT to be compliant. FHWA is committed to effective stewardship of Federal funds. At the Federal level, the program has what is needed with respect to internal controls, human capital, and information systems to reduce improper payments.