




JUL 16 2013

MEMORANDUM FOR: DANIEL R. PETROLE
Deputy Inspector General

FROM: GERRI FIALA 
Acting Assistant Secretary

SUBJECT: Executive Order (E.O.) 13520 Report on High-Dollar
Overpayments in the Unemployment Insurance (UI)
Program

This transmittal reflects the Fiscal Year 2013 second quarter (January to March 2013) High-Dollar report for the UI program, as required by E.O. 13520, Reducing Improper Payments.

Section 3 (f) of E.O. 13520 requires that at least once every quarter the head of each agency (or designated official) with programs designated as "high-priority" by the Office of Management and Budget (OMB) shall submit to the agency's Inspector General and the Council of Inspectors General on Integrity and Efficiency a report on any high-dollar overpayments identified by the agency. The UI program meets the threshold established by OMB of at least \$750 million in improper payments as reported in the U.S. Department of Labor's annual Agency Financial Report and has been designated as a "high-priority" program.

Please note that this report includes high-dollar overpayments from two sources:
1) population data provided on the revised ETA 227 Overpayment Detection and Recovery Activities report, and 2) high-dollar information based on sample cases in the Benefit Accuracy Measurement survey for those states that have not yet submitted data on the ETA 227 report.

Attachments

cc: Council of Inspectors General on Integrity and Efficiency

High-Dollar Report Unemployment Insurance

As required by Section 3 (f) of Executive Order 13520 and according to the guidelines specified in section C (3) of Part III to Office of Management and Budget (OMB) Circular A-123, Appendix C, the U.S. Department of Labor (Department) has identified in the attached report the number of individuals who received high-dollar overpayments of Unemployment Insurance (UI) benefits during the second quarter (January to March 2013) of Fiscal Year (FY) 2013.

According to section C (3) (j) of Part III to OMB Circular A-123, Appendix C:

Subsequent to the first [High-Dollar] report, agencies shall complete, submit, and publicize these reports at least once a quarter (i.e., four times per year) thereafter. Each quarterly report shall be completed, submitted, and published by the last day of each quarter.

State UI Benefit Payment Control (BPC) units are responsible for identifying and recovering all UI overpayments. The Department has modified the Employment and Training Administration (ETA) 227 - Overpayment Detection and Recovery Activities report to accommodate reporting of the total number of high-dollar overpayments identified by state BPC operations. Reporting instructions for the ETA 227 report that were included in UI Program Letter No. 8-12 (January 11, 2012) define fraud and non-fraud high-dollar overpayments as:

The total overpayment established during the reporting quarter for an individual exceeding \$5,000. Overpayments may be for a single payment or for cumulative payments made during or prior to the reporting quarter.

For the second quarter of FY 2013, 39 states submitted high-dollar data on the revised ETA 227 report. For those states that are not currently reporting high-dollar data on the ETA 227 report, we will continue to provide sample counts from the Benefit Accuracy Measurement (BAM) survey. BAM, a statistical survey of paid and denied UI claims, collects information on high-dollar overpayments. State BAM investigators are required to complete 95 percent of their cases within 90 days of selection. States must also complete 98 percent of their calendar year cases by April 30 of the following year. Therefore, high-dollar data will be reported according to the following schedule.

Reporting Quarter	BAM Audit Completion Date	High-Dollar Report Submitted By
January - March	June 30	July 31
April - June	September 30	October 31
July - September	December 31	January 31
October - December	April 30	May 31

During the January to March 2013 reporting period, BAM completed audits for 6,062 paid claims. BAM data are available only at the state level of reporting. BAM covers the three largest permanently authorized unemployment compensation programs: State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Service members (UCX). Although overpayments for all of these programs, including high-dollar overpayments, are included in the population from which BAM samples are drawn, because BAM surveys only a small percentage of total UI paid claims, the number of UI benefit recipients with high-dollar overpayments identified through BAM is significantly less than the number of high-dollar overpayments in the population.

In response to the level of improper payments, the Department has aggressively addressed the issue by developing a multifaceted Integrity Strategic Plan. Some of the initiatives target specific root causes while others support a broader effort to reduce improper payments. Our goal is to reduce the improper payment rate below the 10 percent criterion in the Improper Payments Elimination and Recovery Act of 2010, and we are confident that these initiatives will allow us to meet this goal. These core strategies to reduce improper payments are described in <http://www.dol.gov/dol/maps/Strategies.htm>.

Detailed data on state improper payments and state status reports on progress in implementing the Department's integrity initiatives can be found at <http://www.dol.gov/dol/maps/map-ipia.htm>.

The BPC and BAM UI High-Dollar Overpayment Reports for January to March 2013 are attached. Previous UI High-Dollar reports are posted on the Office of Unemployment Insurance Payment Accuracy Web page (http://www.oui.doleta.gov/unemploy/improp_pay.asp).

Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2013 Quarter 2

ST	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High Dollar Cases	Total High Dollar Amount
AR	69	\$493,328	0	\$0	69	\$493,328
CA	1,522	\$11,070,004	31	\$205,126	1,553	\$11,275,130
CO	219	\$1,707,535	4	\$28,375	223	\$1,735,910
CT	123	\$1,038,880	2	\$34,677	125	\$1,073,557
DC	67	\$582,795	0	\$0	67	\$582,795
DE	35	\$241,593	0	\$0	35	\$241,593
GA	111	\$710,873	2	\$12,342	113	\$723,215
HI	251	\$284,741	0	\$0	251	\$284,741
ID	89	\$578,568	0	\$0	89	\$578,568
IL	1,651	\$10,989,682	219	\$712,213	1,870	\$11,701,895
IN	345	\$2,547,892	13	\$94,624	358	\$2,642,516
KS	46	\$415,123	0	\$0	46	\$415,123
KY	82	\$591,284	1	\$8,300	83	\$599,584
MD	518	\$3,903,477	2	\$10,660	520	\$3,914,137
ME	72	\$500,141	0	\$0	72	\$500,141
MN	279	\$2,129,465	0	\$0	279	\$2,129,465
MO	44	\$256,153	0	\$0	44	\$256,153
MS	107	\$298,854	0	\$0	107	\$298,854
MT	40	\$333,772	0	\$0	40	\$333,772
ND	11	\$75,181	0	\$0	11	\$75,181
NH	37	\$270,599	0	\$0	37	\$270,599
NM	15	\$113,731	2	\$12,420	17	\$126,151
NV	203	\$1,550,690	2	\$14,260	205	\$1,564,950
NY	1,176	\$7,338,997	105	\$438,990	1,281	\$7,777,987
OH	443	\$3,623,373	3	\$22,621	446	\$3,645,994
OR	160	\$1,254,103	6	\$42,566	166	\$1,296,669
PA	1,199	\$9,820,263	35	\$270,840	1,234	\$10,091,103
PR	2	\$11,156	0	\$0	2	\$11,156
RI	77	\$650,941	1	\$11,080	78	\$662,021
SC	73	\$483,212	1	\$5,367	74	\$488,579
SD	6	\$45,508	0	\$0	6	\$45,508
TN	98	\$320,823	2	\$11,608	100	\$332,431
TX	817	\$5,587,731	16	\$113,652	833	\$5,701,383
UT	51	\$410,927	0	\$0	51	\$410,927
VA	97	\$773,663	0	\$0	97	\$773,663
VT	2	\$24,745	0	\$0	2	\$24,745
WI	214	\$1,525,296	1	\$5,283	215	\$1,530,579
WV	47	\$301,671	1	\$5,088	48	\$306,759
WY	15	\$115,422	0	\$0	15	\$115,422
US	10,413	\$72,972,192	449	\$2,060,092	10,862	\$75,032,284

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 08 Jul 13

BAM Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2013 Quarter 2

ST	BAM Cases	BAM Amount OP
AK	1	\$7,200
AZ	2	\$6,480
FL	2	\$11,271
IA	3	\$14,846
LA	4	\$16,549
MA	6	\$39,423
MI	2	\$6,205
NC	6	\$23,157
NJ	2	\$31,530
OK	2	\$7,989
WA	1	\$7,452

Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 08 Jul 13