




NOV - 4 2013

MEMORANDUM FOR: GORDON S. HEDDELL  
Acting Deputy Inspector General

FROM: ERIC M. SELEZNOW   
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 third quarter (April to June 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 third quarter (April to June 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 number of high-dollar overpayments identified by state BPC operations is reported on the Employment and Training Administration (ETA) 227 - Overpayment Detection and Recovery Activities report. 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 third quarter of FY 2013, 38 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 April to June 2013 reporting period, BAM completed audits for 6,172 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 April to June 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](http://www.oui.doleta.gov/unemploy/improp_pay.asp)).

Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2013 Quarter 3

ST	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High Dollar Cases	Total High Dollar Amount
AR	71	\$508,692	0	\$0	71	\$508,692
CA	1,386	\$10,181,286	21	\$145,213	1,407	\$10,326,499
CO	227	\$1,716,127	6	\$48,444	233	\$1,764,571
CT	175	\$1,554,300	2	\$21,878	177	\$1,576,178
DC	60	\$488,713	0	\$0	60	\$488,713
DE	59	\$388,138	0	\$0	59	\$388,138
FL	335	\$2,079,692	0	\$0	335	\$2,079,692
GA	57	\$343,170	1	\$5,412	58	\$348,582
ID	93	\$664,424	0	\$0	93	\$664,424
IL	1,691	\$11,143,194	217	\$761,831	1,908	\$11,905,025
IN	324	\$2,383,011	10	\$109,005	334	\$2,492,016
KY	70	\$504,422	1	\$7,055	71	\$511,477
MD	522	\$4,483,682	0	\$0	522	\$4,483,682
ME	40	\$265,868	0	\$0	40	\$265,868
MN	354	\$2,686,437	0	\$0	354	\$2,686,437
MO	49	\$285,213	0	\$0	49	\$285,213
MS	66	\$249,719	0	\$0	66	\$249,719
MT	62	\$456,176	0	\$0	62	\$456,176
ND	22	\$138,142	0	\$0	22	\$138,142
NH	27	\$218,888	0	\$0	27	\$218,888
NM	29	\$295,285	2	\$29,894	31	\$325,179
NV	239	\$1,807,975	1	\$5,780	240	\$1,813,755
NY	1,013	\$7,588,034	74	\$489,944	1,087	\$8,077,978
OH	422	\$3,553,640	0	\$0	422	\$3,553,640
OR	164	\$1,288,718	2	\$26,532	166	\$1,315,250
PA	1,515	\$12,162,507	37	\$297,125	1,552	\$12,459,632
PR	1	\$5,586	0	\$0	1	\$5,586
RI	65	\$532,060	1	\$10,760	66	\$542,820
SC	77	\$567,636	0	\$0	77	\$567,636
SD	2	\$14,026	0	\$0	2	\$14,026
TN	23	\$150,258	0	\$0	23	\$150,258
TX	848	\$5,828,820	30	\$184,854	878	\$6,013,674
UT	50	\$379,934	0	\$0	50	\$379,934
VA	102	\$813,335	0	\$0	102	\$813,335
VT	2	\$19,002	0	\$0	2	\$19,002
WI	228	\$1,713,608	1	\$5,680	229	\$1,719,288
WV	55	\$294,576	0	\$0	55	\$294,576
WY	8	\$39,579	0	\$0	8	\$39,579
US	10,533	\$77,793,873	406	\$2,149,407	10,939	\$79,943,280

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 17 Oct 13

BAM Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2013 Quarter 3

ST	BAM Cases	BAM Amount OP
AL	2	\$8,156
HI	3	\$10,442
IA	5	\$27,989
KS	1	\$8,022
LA	4	\$23,931
MA	5	\$29,205
MI	2	\$12,308
NC	1	\$5,350
NE	1	\$4,981
NJ	1	\$13,676
OK	1	\$6,783
WA	4	\$30,494

Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 17 Oct 13