




JAN 22 2014

MEMORANDUM FOR: SCOTT S. DAHL  
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 fourth quarter (July to September 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 fourth quarter (July to September 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 fourth 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 sample cases within 90 days of selection. Effective with UI Program Letter No. 25-13 (August 9, 2013) states must also complete 98 percent of their cases sampled between July 1 and June 30 (the reporting period for UI integrity data published in the Department's Agency Financial Report) by October 28. 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	October 28	November 30
July - September	December 31	January 31
October - December	March 31	April 30

During the July to September 2013 reporting period, BAM completed audits for 5,827 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 July to September 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 4

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	\$524,965	0	\$0	71	\$524,965
CA	1,333	\$9,646,683	11	\$67,794	1,344	\$9,714,477
CO	235	\$1,826,118	8	\$73,138	243	\$1,899,256
CT	162	\$1,591,861	1	\$5,698	163	\$1,597,559
DC	64	\$499,593	1	\$7,180	65	\$506,773
DE	46	\$313,815	0	\$0	46	\$313,815
FL	388	\$2,343,938	1	\$5,194	389	\$2,349,132
GA	403	\$2,485,281	32	\$187,578	435	\$2,672,859
IA	997	\$6,561,175	0	\$0	997	\$6,561,175
ID	80	\$625,852	0	\$0	80	\$625,852
IL	2,452	\$12,614,899	106	\$239,689	2,558	\$12,854,588
IN	344	\$2,592,210	13	\$90,618	357	\$2,682,828
KY	96	\$667,112	0	\$0	96	\$667,112
MD	467	\$3,554,329	0	\$0	467	\$3,554,329
ME	20	\$129,667	0	\$0	20	\$129,667
MN	359	\$1,291,994	3	\$0	362	\$1,291,994
MO	45	\$248,050	0	\$0	45	\$248,050
MS	99	\$279,557	0	\$0	99	\$279,557
MT	56	\$406,355	0	\$0	56	\$406,355
ND	14	\$83,769	0	\$0	14	\$83,769
NH	27	\$195,600	0	\$0	27	\$195,600
NM	35	\$246,895	0	\$0	35	\$246,895
NY	815	\$6,123,994	46	\$310,104	861	\$6,434,098
OH	368	\$3,091,959	0	\$0	368	\$3,091,959
OR	216	\$1,714,851	5	\$31,326	221	\$1,746,177
PA	1,366	\$11,289,551	23	\$194,498	1,389	\$11,484,049
RI	64	\$527,694	0	\$0	64	\$527,694
SC	124	\$792,306	0	\$0	124	\$792,306
SD	3	\$17,058	0	\$0	3	\$17,058
TN	42	\$277,853	0	\$0	42	\$277,853
TX	750	\$5,118,196	15	\$100,961	765	\$5,219,157
UT	44	\$298,347	0	\$0	44	\$298,347
VA	108	\$889,342	0	\$0	108	\$889,342
VI	4	\$38,223	0	\$0	4	\$38,223
VT	6	\$61,279	0	\$0	6	\$61,279
WI	249	\$2,059,792	1	\$13,960	250	\$2,073,752
WV	52	\$320,430	0	\$0	52	\$320,430
WY	10	\$88,528	0	\$0	10	\$88,528
US	12,014	\$81,439,121	266	\$1,327,738	12,280	\$82,766,859

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 06 Jan 14

BAM Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2013 Quarter 4

ST	BAM Cases	BAM Amount OP
AL	1	\$5,810
AZ	1	\$6,240
KS	4	\$30,895
MA	2	\$10,458
NC	8	\$62,908
NE	2	\$6,824
NJ	3	\$23,733
NV	3	\$15,567
WA	2	\$16,583

Source: UI Benefit Accuracy Measurement  
Prepared by OUI Division of Performance Management on 06 Jan 14