




JAN 28 2015

MEMORANDUM FOR: SCOTT S. DAHL  
Inspector General

FROM: PORTIA WU   
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 2014 fourth quarter (July to September 2014) 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 2014) of Fiscal Year (FY) 2014.

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 2014, a total of 45 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. 20-14 (July 29, 2014) states must also complete 98 percent of their cases sampled between July 1 and June 30 (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 2014 reporting period, BAM completed audits for 5,690 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. 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 2014 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 2014 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
AK	52	\$356,661	0	\$0	52	\$356,661
AR	48	\$363,465	0	\$0	48	\$363,465
CA	1,194	\$8,256,281	1	\$7,066	1,195	\$8,263,347
CO	112	\$752,427	0	\$0	112	\$752,427
CT	281	\$2,553,965	3	\$23,065	284	\$2,577,030
DC	121	\$869,274	0	\$0	121	\$869,274
FL	530	\$5,620,206	8	\$164,390	538	\$5,784,596
GA	46	\$274,878	1	\$6,600	47	\$281,478
HI	7	\$62,618	0	\$0	7	\$62,618
IA	1,075	\$7,147,634	0	\$0	1,075	\$7,147,634
ID	47	\$344,764	0	\$0	47	\$344,764
IL	5,881	\$41,127,973	16	\$26,678	5,897	\$41,154,651
IN	495	\$3,689,431	2	\$13,161	497	\$3,702,592
KS	137	\$1,008,106	0	\$0	137	\$1,008,106
KY	70	\$509,137	1	\$7,055	71	\$516,192
MA	584	\$5,307,908	0	\$0	584	\$5,307,908
MD	224	\$1,701,762	0	\$0	224	\$1,701,762
ME	53	\$367,948	0	\$0	53	\$367,948
MI	989	\$6,242,476	3	\$16,388	992	\$6,258,864
MN	267	\$2,027,203	0	\$0	267	\$2,027,203
MO	46	\$265,332	0	\$0	46	\$265,332
MS	26	\$169,216	0	\$0	26	\$169,216
MT	20	\$144,353	0	\$0	20	\$144,353
NC	273	\$2,289,701	3	\$17,585	276	\$2,307,286
ND	26	\$182,255	0	\$0	26	\$182,255
NE	54	\$55,839	0	\$0	54	\$55,839
NH	27	\$188,951	0	\$0	27	\$188,951
NM	43	\$332,102	0	\$0	43	\$332,102
NV	168	\$937,813	1	\$1,804	169	\$939,617
NY	610	\$4,606,066	28	\$180,448	638	\$4,786,514
OH	224	\$1,662,697	0	\$0	224	\$1,662,697
OR	140	\$985,422	0	\$0	140	\$985,422
PA	1,892	\$15,498,373	21	\$152,837	1,913	\$15,651,210
RI	43	\$364,477	0	\$0	43	\$364,477
SC	45	\$315,556	0	\$0	45	\$315,556
SD	1	\$5,045	0	\$0	1	\$5,045
TN	64	\$390,301	1	\$5,250	65	\$395,551
TX	509	\$3,551,036	0	\$0	509	\$3,551,036
UT	44	\$342,615	0	\$0	44	\$342,615
VA	77	\$566,200	0	\$0	77	\$566,200

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 09 Jan 15

Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2014 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
VI	5	\$45,991	0	\$0	5	\$45,991
VT	10	\$66,720	0	\$0	10	\$66,720
WI	197	\$1,430,411	1	\$5,833	198	\$1,436,244
WV	90	\$485,330	1	\$8,300	91	\$493,630
WY	12	\$92,710	0	\$0	12	\$92,710
US	16,859	\$123,558,629	91	\$636,460	16,950	\$124,195,089

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 09 Jan 15

BAM Unemployment Insurance High Dollar Report  
Reporting Quarter: FY 2014 Quarter 4

ST	BAM Cases	BAM Amount OP
AZ	3	\$17,746
DE	1	\$6,491
LA	1	\$6,422
NJ	2	\$5,913
OK	1	\$9,026
WA	3	\$13,137

Source: UI Benefit Accuracy Measurement

Prepared by OUI Division of Performance Management on 09 Jan 15

Prepared by OUI Division of Performance Management on 09 Jan 15