



DEC 12 2019

MEMORANDUM FOR: JOHN PALLASCH
Assistant Secretary

FROM: GAY M. GILBERT 
Administrator
Office of Unemployment Insurance

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

The Office of Unemployment Insurance (OUI) has prepared the Fiscal Year 2019 Third-Quarter (April to June 2019) 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 (Department) annual Agency Financial Report, and has been designated as a "high-priority" program.

This report includes high-dollar overpayments reported by the states from two sources: 1) population data provided on the ETA 227 Overpayment Detection and Recovery Activities report; and 2) high-dollar information based on sample cases from the Benefit Accuracy Measurement survey for those states that have not submitted data on the ETA 227 report.

OUI has prepared the attached memorandum for your signature to transmit the High-Dollar Report for the UI program to the Department's Inspector General.

Attachments:

1. Memorandum to the Inspector General
2. Unemployment Insurance High-Dollar Report for April to June 2019
3. Associated Data for the Unemployment Insurance High-Dollar Report



JAN 13 2020

MEMORANDUM FOR: SCOTT S. DAHL
Inspector General

FROM: JOHN PALLASCH 8
Assistant Secretary

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

This transmittal provides the Fiscal Year 2019 Third-Quarter (April to June 2019) 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.

This report includes high-dollar overpayments reported by the states from two sources: 1) population data provided on the ETA 227 Overpayment Detection and Recovery Activities report; and 2) high-dollar information based on sample cases from the Benefit Accuracy Measurement survey for those states that have not submitted data on the ETA 227 report.

Attachments

cc: Council of Inspectors General on Integrity and Efficiency

UNEMPLOYMENT INSURANCE HIGH-DOLLAR REPORT

As required by Section 3(f) of Executive Order (E.O.) 13520, 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) of Fiscal Year (FY) 2019.

Office of Management and Budget (OMB) Circular A-123, Appendix C (October 2014), provided guidance for improper payments reporting, specifying the criteria for high-dollar overpayments whereby overpayments to individuals that are at least 50 percent higher than the proper payment and over \$25,000 must be reported. On June 26, 2018, OMB Circular A-123, Appendix C was revised and the requirements for reporting high-dollar overpayments were removed. However, since E.O. 13520 is still in effect and no guidance clarifying this requirement has been issued, the Department will continue its submission of its quarterly high-dollar report following the October 2014 guidance.

State UI agencies' Benefit Payment Control (BPC) units are responsible for identifying and recovering 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. Current reporting instructions for the ETA 227 report, which are included in UI Program Letter No. 8-12, Change 1 (July 27, 2015), define fraud and non-fraud high-dollar overpayments as:

“...when total overpayments to an individual on a claim exceeds [*sic*] \$25,000. Overpayments may be a single overpayment or multiple overpayments established during or prior to the reporting quarter...”

For the third quarter of FY 2019, a total of 52 state workforce agencies submitted the ETA 227 report; however, one state workforce agency (Arizona) does not currently report high-dollar data on their ETA 227 report submissions. One state workforce agency (Florida) has not submitted their ETA 227 report in its entirety. Although the ETA 227 report is due on the first day of the second month following the report period, states frequently send the reports late or submit corrections after the due date. For this reason, the Department allows an additional 60-day grace period after the due date to ensure that the most accurate data is used in calculating high-dollar overpayments.

For states that are not currently reporting high-dollar data on the ETA 227, or did not submit a completed ETA 227 report, ETA will continue to provide sample counts from the Benefit Accuracy Measurement (BAM) survey. BAM is a statistical survey of paid and denied UI claims that 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. 11-15 (February 26, 2015), 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 April to June 2019 reporting period, BAM completed audits for 6,173 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 part of the population from which BAM samples are drawn, BAM surveys only a small percentage of total UI paid claims. Therefore, 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.

The UI High-Dollar Overpayment Report for April to June 2019 is attached. Previous UI High-Dollar Reports are posted on the Office of Unemployment Insurance Payment Accuracy Web page located at: https://oui.doleta.gov/unemploy/improp_pay.asp#hideme17.

ASSOCIATED DATA FOR THE UNEMPLOYMENT INSURANCE HIGH-DOLLAR REPORT

REPORTING QUARTER: FY 2019 QUARTER 3

States Reporting at the \$25,000 Threshold

State	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High-Dollar Cases	Total High-Dollar Amount
AK	0	\$0	0	\$0	0	\$0
AL	0	\$0	0	\$0	0	\$0
AR	0	\$0	0	\$0	0	\$0
CA	0	\$0	0	\$0	0	\$0
CO	0	\$0	0	\$0	0	\$0
CT	5	\$204,681	0	\$0	5	\$204,681
DC	0	\$0	0	\$0	0	\$0
DE	0	\$0	0	\$0	0	\$0
GA	0	\$0	0	\$0	0	\$0
HI	0	\$0	0	\$0	0	\$0
IA	0	\$0	0	\$0	0	\$0
ID	0	\$0	0	\$0	0	\$0
IL	0	\$0	0	\$0	0	\$0
IN	0	\$0	0	\$0	0	\$0
KS	0	\$0	0	\$0	0	\$0
KY	0	\$0	0	\$0	0	\$0
LA	0	\$0	0	\$0	0	\$0
MA	0	\$0	0	\$0	0	\$0
MD	0	\$0	0	\$0	0	\$0
ME	0	\$0	0	\$0	0	\$0
MI	0	\$0	0	\$0	0	\$0
MN	0	\$0	0	\$0	0	\$0
MO	0	\$0	0	\$0	0	\$0
MS	0	\$0	0	\$0	0	\$0
MT	0	\$0	0	\$0	0	\$0
NC	0	\$0	0	\$0	0	\$0
ND	0	\$0	0	\$0	0	\$0
NE	0	\$0	0	\$0	0	\$0
NH	0	\$0	0	\$0	0	\$0
NJ	1	\$28,114	0	\$0	1	\$28,114
NM	0	\$0	0	\$0	0	\$0
NV	0	\$0	0	\$0	0	\$0
NY	0	\$0	0	\$0	0	\$0
OH	0	\$0	0	\$0	0	\$0
OK	0	\$0	0	\$0	0	\$0
OR	0	\$0	0	\$0	0	\$0
PA	0	\$0	0	\$0	0	\$0
PR	0	\$0	0	\$0	0	\$0

State	State UI UCFE/UCX Cases	State UI UCFE/UCX Amount	EB Cases	EB Amount	Total High-Dollar Cases	Total High- Dollar Amount
RI	0	\$0	0	\$0	0	\$0
SC	0	\$0	0	\$0	0	\$0
SD	0	\$0	0	\$0	0	\$0
TN	0	\$0	0	\$0	0	\$0
TX	0	\$0	0	\$0	0	\$0
UT	0	\$0	0	\$0	0	\$0
VA	0	\$0	0	\$0	0	\$0
VI	0	\$0	0	\$0	0	\$0
VT	0	\$0	0	\$0	0	\$0
WA	2	\$65,041	0	\$0	2	\$65,041
WI	0	\$0	0	\$0	0	\$0
WV	0	\$0	0	\$0	0	\$0
WY	0	\$0	0	\$0	0	\$0
US	8	\$297,836	0	\$0	8	\$297,836

States Not Reporting High-Dollar Cases on the ETA 227 Report BAM Unemployment Insurance High-Dollar Report Reporting Quarter: FY 2019 Quarter 3 Reported at the \$25,000 Level		
State	BAM Cases	BAM Amount OP
AZ*	0	\$0
FL	0	\$0
* State workforce agency did not report high-dollar data on the ETA 227 report.		

Source: ETA 227 Report, BAM

Prepared by: Office of Unemployment Insurance, Division of Performance Management