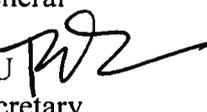




JUL 27 2015

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 2015 second quarter (January to March 2015) 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 2015) of Fiscal Year (FY) 2015.

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 second quarter of FY 2015, a total of 42 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 January to March 2015 reporting period, BAM completed audits for 5,947 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 January to March 2015 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 2015 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
AK	41	\$268,385	0	\$0	41	\$268,385
AR	21	\$142,793	0	\$0	21	\$142,793
CA	959	\$6,484,486	7	\$44,529	966	\$6,529,015
CO	131	\$905,865	0	\$0	131	\$905,865
CT	114	\$1,009,467	1	\$7,534	115	\$1,017,001
DC	103	\$685,840	0	\$0	103	\$685,840
DE	8	\$49,554	0	\$0	8	\$49,554
GA	81	\$491,397	2	\$12,012	83	\$503,409
HI	6	\$43,002	0	\$0	6	\$43,002
ID	33	\$240,249	0	\$0	33	\$240,249
IL	1,477	\$6,845,492	2	\$10,220	1,479	\$6,855,712
IN	347	\$2,678,854	3	\$16,827	350	\$2,695,681
KS	136	\$1,020,364	0	\$0	136	\$1,020,364
KY	94	\$665,003	0	\$0	94	\$665,003
MA	261	\$2,447,679	0	\$0	261	\$2,447,679
MD	211	\$1,649,897	0	\$0	211	\$1,649,897
ME	26	\$190,393	0	\$0	26	\$190,393
MI	926	\$5,826,735	4	\$22,799	930	\$5,849,534
MN	163	\$1,216,519	0	\$0	163	\$1,216,519
MO	30	\$168,060	0	\$0	30	\$168,060
MS	30	\$116,909	0	\$0	30	\$116,909
MT	16	\$122,459	0	\$0	16	\$122,459
NC	304	\$2,431,053	0	\$0	304	\$2,431,053
ND	11	\$57,777	0	\$0	11	\$57,777
NE	8	\$47,937	0	\$0	8	\$47,937
NH	18	\$145,939	0	\$0	18	\$145,939
NM	64	\$445,535	0	\$0	64	\$445,535
NV	158	\$1,125,641	0	\$0	158	\$1,125,641
NY	560	\$4,097,519	5	\$30,310	565	\$4,127,829
OH	152	\$1,141,331	0	\$0	152	\$1,141,331
OR	107	\$846,277	0	\$0	107	\$846,277
PA	1,087	\$8,935,551	18	\$139,993	1,105	\$9,075,544
SD	4	\$22,770	0	\$0	4	\$22,770
TN	64	\$384,474	4	\$22,425	68	\$406,899
TX	554	\$3,855,368	1	\$5,920	555	\$3,861,288
UT	32	\$232,459	0	\$0	32	\$232,459
VA	40	\$281,714	0	\$0	40	\$281,714
VI	1	\$9,828	0	\$0	1	\$9,828
VT	13	\$90,507	0	\$0	13	\$90,507
WI	171	\$1,213,591	0	\$0	171	\$1,213,591

Source: ETA 227 Report

Prepared by OUI Division of Performance Management on 07 Jul 15

Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2015 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
WV	45	\$307,599	0	\$0	45	\$307,599
WY	7	\$46,280	0	\$0	7	\$46,280
US	8,614	\$58,988,552	47	\$312,569	8,661	\$59,301,121

Source: ETA 227 Report
Prepared by OUI Division of Performance Management on 07 Jul 15

BAM Unemployment Insurance High Dollar Report
Reporting Quarter: FY 2015 Quarter 2

ST	BAM Cases	BAM Amount OP
IA	6	\$35,343
NJ	3	\$23,655
RI	1	\$6,776
SC	4	\$21,621

Source: UI Benefit Accuracy Measurement
Prepared by OUI Division of Performance Management on 07 Jul 15